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Daily Report

East Asia

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Daily Report

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FBIS-EAS-94-199

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Japan

Trade Negotiators Agree To Promote U.S. Investment

OW1310134294 Tokyo KYODO in English 1313 GMT
13 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 13 KYODO—Japan and the United States agreed Thursday [13 October] to promote American investment in Japan during working-level trade talks here, Japanese officials said.

In what the officials described as "a friendly atmosphere" in the two-day talks, both parties discussed wide-ranging steps offered recently by Tokyo to remove barriers to investment by American firms.

Tokyo and Washington also held one-day working-level talks on bilateral corporate relations that closed with "a complete agreement" on the need to beef up such ties, according to the officials.

Both meetings were part of economic harmonization under bilateral trade "framework" negotiations.

Alan Larson, deputy assistant secretary at the State Department and head of the U.S. team, said, "in both of the discussions that we had, I sensed a very strong feeling of the potential for win-win solutions."

Investment talks focused on seven issues—tax incentives, financial breaks, deregulation, mergers and acquisitions, land and labor costs, U.S. investment efforts and an expanded role of a Japanese organ set up to promote foreign investment, the officials said.

Japan also explained an expansion to 10 years from seven years in a moratorium accorded to designated investors before booking losses from capital spending.

The U.S. basically appreciated the step but sought more expansion, the officials said.

On financial breaks, Washington called for Japan to further boost the amount of low interest-rate public loans to be provided to foreign investors from 50 percent of capital spending.

The U.S. also demanded further deregulation of Japan's investment permit system in certain designated areas such as farming and mining, and relaxation of rules on mergers and acquisitions.

Japan was also asked to take steps to trim high starting costs gripping American businesses in Tokyo.

For its part, Japan warned against a recent congressional move for a bill that would pose a problem under the mutually agreed principle of national treatment.

Tokyo also asked the U.S. to present a list of companies interested in Japanese investment, and the Japan External Trade Organization (JETRO) will take care of matching business, they said.

Larson said consensus on these demands is likely to be wrapped up by next spring.

As for steps to reinforce corporate ties between Japan and the U.S., no specific ideas came out during the latest talks, the officials said. However, both sides agreed to offer proposals "within government reach" in future talks, they said.

The investment talks are the third of its kind following those last November and last January. The next meeting is yet to be scheduled, the officials said.

Seminar Underscores Gap in Stands on Auto Parts

OW1410111794 Tokyo NIHON KEIZAI SHIMBUN in Japanese 13 Oct 94 Evening Edition p 2

[By Yoshinori Omura]

[FBIS Translated Text] Dearborn (Michigan), 12 Oct—At the "Japan-U.S. Auto Parts Seminar" being held here in Dearborn, Michigan, since 12 October, it is becoming clear how deep the gap is between the Governments of Japan and the United States and how wide the gap is between the U.S. Government and its private sector in their perceptions. The seminar is sponsored by the U.S. Department of Commerce.

To cite an example of the gap between the Governments of Japan and the United States, Jeffrey Garten, U.S. under secretary of commerce, said in a news conference: "I hope the Japan-U.S. economic consultations will resume as soon as possible." He even talked about what he wants emphasize in the talks, saying: "We should pay attention not only to the issues of replacement parts and deregulation, but also to the questions of Japanese auto manufacturers' purchase of foreign-made parts—the subject which has been left out of the topics to be addressed in the government-level talks—and foreign companies' access to the automobile dealership system in Japan."

Meanwhile, Hirokazu Hayashi, director of the Automobile Division in the Ministry of International Trade and Industry [MITI], made it clear that there is no change in the Japanese Government's position on wanting to have a "cooling off period," saying: "We have no intention of resuming the consultations for the time being. The fact that (auto parts) have been put under the 301 provision of the U.S. Trade Act (negotiations on and sanctions against unfair trade practices) has become a major impediment (to the resumption of talks). He also emphatically insisted that the Japanese Government will not accept the U.S. demand concerning them, declaring: "Dialogue between governments is necessary, but the automobiles are not an area in which governments can cite numbers and force them on the private sector."

Kaikaku Team To Probe Alleged CIA Payments

OW1210103294 Tokyo NIHON KEIZAI SHIMBUN in Japanese 12 Oct 94 Morning Edition p 1

[FBIS Translated Text] In connection with a NEW YORK TIMES report that the Central Intelligence

Agency (CIA) provided the Liberal Democratic Party [LDP] with funds, the parliamentary group Kaikaku [Renovation], formed by the opposition parties with the exception of the Japan Communist Party, has decided to set up a team to probe alleged financial links between the LDP and the CIA, and send the team to the United States in the near future. Kaikaku, which sees the alleged financial links as another dark side of the LDP government, plans to use them as a means to stir up the ruling parties.

On the evening of 11 October, Takenori Kanzaki, Committee on Rules and Administration of the House of Representatives acting chairman; Kansei Nakano, Policy Affairs Committee chairman; and Takeshi Noda, Kaikaku Public Relations Committee chairman, met to discuss the report that the CIA paid the LDP money. At the end of the discussions, they agreed to set up the team to conduct a thorough probe into the alleged CIA payments to the LDP. Speaking at a news conference held after the meeting, Noda pointed out that the Diet sent an investigation team to the former Soviet Union after a document exposed the fact that the Social Democratic Party of Japan [SDPJ] had received funds from the Soviet Union's Communist Party, and emphasized: "The CIA's alleged payments to the LDP should not be left unprobed, even though they occurred long ago."

With the SDPJ changing its policies, a situation has been created wherein Kaikaku has no way of attacking the ruling parties. In fact, Kaikaku is unable to put the ruling parties on the defensive at the current extraordinary Diet session. Therefore, Kaikaku believes that the report on the CIA's alleged payments to the LDP has provided it with a good opportunity to attack the ruling parties. Hajime Funada, Committee on Rules and Administration deputy chairman, who is affiliated with Kaikaku, said: "We should make a clean slate of the dark side of postwar politics." For the time being, Kaikaku intends to grill the ruling parties about the CIA's alleged payments to the LDP in the Diet, while placing importance on the probe.

Editorial Urges LDP To Study Charges on CIA

OW1310165294 Tokyo YOMIURI SHIMBUN in Japanese 13 Oct 94 Morning Edition p 3

[FBIS Translated Text] A U.S. newspaper has reported that the U.S. Central Intelligence Agency (CIA) had provided huge funds to the Liberal Democratic Party [LDP] in the 1950's and 1960's during the Cold War era. As a responsible political party which monopolized power for 38 years, and as the largest among the ruling coalition parties under the administration of Prime Minister Tomiichi Murayama, the LDP should go out on its own and conduct investigations into the matter and bring out the truth.

It was a historical achievement that the LDP had chosen to join in an alliance with the United States, which shares the same values with Japan regarding freedom

and democracy. This choice has led to Japan's current level of prosperity. Now, even the Social Democratic Party of Japan [SDPJ] has changed its policy to maintaining the Japan-U.S. security arrangement.

Regarding the fact that this was a wise choice, there is a big difference between the case of the LDP and SDPJ, which has been charged with suspicion that while advocating "unarmed neutrality," the party—primarily its pro-Marxist-Leninist forces—actually received funds from the Soviet Union.

If Soviet intentions to pull Japan into the Eastern bloc had been successful, Japan would have trodden a disastrous destiny. This has been proven by history with the end of the Cold War structure that resulted from the self-destruction of communism, which is equivalent to totalitarianism.

However, no matter how great the deeds accomplished by the LDP, as an official political party of an independent country, it should have never received funds from a foreign country. This is something that cannot be tolerated.

Needless to say, the Political Fund Control Law prohibits parties from receiving funds from foreigners and foreign groups and organizations. Even if such acts were not prohibited by law, the nature of the matter concerns a political party's basic moral principles.

After the collapse of the Soviet Union, secret documents retained by the former Soviet Government and the Communist Party came to light, one after another. As a result, the Japan Communist Party [JCP] had to expel Sanzo Nosaka, former chairman of the party's Central Executive Committee, who was one of the party's figureheads.

Amidst such circumstances, there arose a suspicion about the SDPJ's having received funds from the former Soviet Union. In this case, the LDP sent a team of investigators to the Soviet Union. The party obtained a huge amount of secret documents and announced the results of its investigations.

The latest issue regarding CIA funding of the LDP involves U.S. State Department and CIA documents that have been declassified. Moreover, many U.S. officials who were involved at the time are still alive. The LDP should take the same or an even greater level of action that it took when it handled the SDPJ scandal for investigating the suspicions it is now being charged with regarding receiving funds from a foreign country.

So far, the LDP leadership has merely said that "it happened almost 40 years ago," and that "we asked the party secretariat, but there is no truth to the charges."

The SDPJ, too, at first referred to the secret Soviet documents as "ancient documents over 20 years old." It failed to investigate the matter and totally denied the charges, saying: "There is no truth to such charges."

However, the SDPJ later organized a team of investigators and sent the mission to the former Soviet Union. The results announced by the party in late April 1993 left many unanswered questions, but due to abrupt political upheavals that followed, the matter has been left up in the air.

The LDP, which has helped build modern Japan, should stake its pride on avoiding taking such indecisive steps and show that it is ready to sincerely deal with its past, including dark spots in its history.

Security Ties Unaffected by Trade Friction

942A0667A Tokyo SECURITARIAN in Japanese 1 Jul 94 pp 12-15

[Article by Takeshi Kondo, chief, political economic research institute, Itochu Corporation: "U.S.-Japan Economic and Security Relations"]

[FBIS Translated Text] *There has been a fair amount of economic friction between the United States and Japan. A careful look, however, shows their economic policies are not mutually at odds. Their economic interests coincide in a broad range of areas. What is the reason for the friction between them? Can Japan and the United States once again enjoy a strong partnership?*

U.S.-Japan Economic Relations in the Past

In order to understand the basis for the economic relationship between Japan and the United States, it is necessary to go back to the end of World War II. United States policy toward Japan underwent various changes from the end of the war to the establishment of the Cold War order. The direction was then firmly set by the United States National Security Council Resolution No. 68. The basic intent was to strengthen its overall military power, including its economic capabilities, by having Europe and Japan develop their own strong, autonomous economies, and through alliances, to contain the Soviet Union.

As a preliminary step, the United States implemented the Marshall Plan and other foreign aid policies. Providing huge amounts of aid, the equivalent then to 3 percent of its GNP, the United States hoped that Japan and Europe and its other western allies would rebuild their economies. Its trade policy at the time unilaterally opened the U.S. markets, thus promoting exports from Europe and Japan to the United States.

At the beginning of the 1960's, not only was the European Community making rapid strides, Japan's economic revival was visibly moving forward. Thus, the United States, partly because of the demands of domestic industries, began aggressively pressing Japan and Europe to open their markets. The United States wanted Japan and Europe to open their markets to a degree approaching those of the United States. This is the history of U.S.-Japan bilateral economic talks and trade negotiations under GATT.

In the 1980's, the Reagan administration implemented economic policies—what became known as Reaganomics—intended to increase defense spending while cutting taxes. When these two phenomena (lower taxes and increased government spending) occur together, the domestic economy expands rapidly but so does the national deficit. Naturally, this means that the trade deficit also grows. Thus, in 1985 as a result of Reaganomics, the United States fell into debt for the first time since 1971 and is now the world's largest debtor nation. Its cumulative debt has climbed to about \$4 trillion, and if it continues to grow, long-term interest rates will continue to rise, and there will be an even greater "hollowing out" of domestic industry. In other words, there is fear now that the U.S. economy will collapse.

In the 1985 Plaza Accord, signatories agreed to reevaluate the dollar, which was unusually high relative to other currencies. As a result, the dollar, which was valued at 263 yen in March 1985, was worth 120 yen by January 1988. In Japan, these developments stirred debate: if steps weren't taken, it was said, Japan would lose its international competitiveness; nor, faced with a huge current surplus, could it go on ignoring steps to correct the international trade imbalance. Thus, the Japanese Government created the Maeda Commission with the goal of thoroughly reevaluating Japan's foreign economic policy. The commission released what became known as the Maeda Report, which recommended structural reform to create a domestic demand-led economy through steps to expand domestic demand, relax regulations and open Japan's markets.

With the expansion of business activities because of the "bubble" phenomenon, domestic demand at first glance appeared to be expanding, and basic surgery—implementing steps to expand domestic demand, ease regulations, and open markets—was put off. With the bubble's collapse, domestic demand stopped growing and many parts of the market, still overly regulated, remained basically closed in nature, and the current surplus once again ballooned in size, reaching a record \$130 billion in 1993. Among the industrially advanced countries of the world, only Japan has a current surplus.

The U.S. markets are still probably the most open in the world. In this respect, Japan and Europe are still behind, a fact that is especially noticeable in Japan's case since it has the world's second largest economy. Under the Cold War structure, people felt this difference in the relative openness of their markets couldn't be helped. So, even when the problem came to the surface in the form of trade disputes, the United States basically recognized and accepted Japan's market structure and each time called for relatively weak measures like export self-restraint. However, the Cold War structure collapsed, and the U.S. public would no longer accept this kind of trade imbalance and began making direct demands on Japan for structural reform.

Will Clintonomics Save the United States?

The new economic policy that President Clinton has worked out is basically a deflationary policy which is centered on rebuilding the U.S. public finances. Instead of looking at domestic demand as the wellspring of economic growth, Clintonomics seeks to change the United States' economic structure to one where the economy is led by foreign demand.

President Clinton campaigned for the presidency on the promise to restore the economy to health, and Clintonomics was launched soon after he took office. Specifically, Clinton's idea is to increase taxes by \$250 billion over a five-year period while cutting government spending by another \$250 billion, thus reducing the deficit by \$500 billion. In this way he hopes to lower long-term interest rates and reduce the cost of financing the national debt. With lower long-term interest rates, businesses will find it easier to make investments in plants and facilities, and the pace of recovery will pick up. This in turn will lead to economic growth and more tax revenue. Thus, an additional \$130 billion is expected by way of more tax revenue and low financing costs, for a total of \$630 billion. Clinton's basic plan is to effect these broad-scale tax increases and reductions in government spending in five years.

In order to shift to an economic structure where growth is dependent on foreign demand, two necessary conditions must be met; namely, the world economy must continue to grow and it must be maintained and further strengthened.

If the world economy fails to grow, so too will foreign demand for the U.S. products. For Clintonomics, an extremely important problem, then, is to find a way for the world economy to expand. And what becomes important here is Japan's markets. Japan is the only industrially advanced country that has the leeway to expand domestic demand, and it can make a considerable contribution to the world economy if it does so. The economies of Asia, which are highly dependent on foreign markets, will be bolstered by the expansion of domestic demand in Japan, and there will be an increased demand in Asia and Japan for U.S. products.

Earlier it was said that Japan is the only industrially advanced country in the world which has an ongoing current surplus. This comes from an imbalance between savings and foreign and domestic investments. At present, assets in the form of savings are estimated to exceed 1,000 trillion yen, the equivalent of over two years' GNP. Japan's economy can grow at a fairly high rate, it is thought, without depending on increased foreign demand if domestic demands expands.

When they are paid in dollars, Japanese export firms can convert their dollar payments into yen and pay their expenses from their yen-based earnings. According to trade figures for the last fiscal year, Japan's exports, calculated on the basis of the dollar, increased 6.2

percent; based on the yen, however, exports fell 8.2 percent. In terms of volume, exports fell 2.5 percent. In order to make up for this kind of drop in foreign demand, Japan, too, must consider expanding domestic demand. The United States, for its part, believes that without even further increasing domestic demand, Japan will not be contributing to the growth of the world economy. It is therefore saying it wants Japan to implement more aggressive measures to stimulate its economy. Among the points included in Japan-U.S. framework talks in July 1993 was the U. S. demand that Japan expand domestic demand through fiscal and monetary policies centered on tax reduction. Without such measures, Clintonomics will fail. As mentioned earlier, the second condition on which Clintonomics hinges is the need to maintain and further strengthen the existing world economic system. If the free trade system (the trade system centered on GATT) is not maintained, there will be a worldwide epidemic of protectionism. In a protectionist world, economies dependent on foreign demand cannot be sustained, nor will the world economy grow. Therefore, maintaining and strengthening this economic system becomes an absolutely indispensable requirement for Clintonomics.

Thus, the Clinton administration first worked for the ratification of NAFTA [North American Free Trade Agreement], concluded the Uruguay Round, and reached an agreement with Japan during their framework talks, including an accord on new macroeconomic policies. Then, when the APEC [Asia Pacific Economic Cooperation] summit was convened in Seattle, Clinton proposed the idea of a "new Pacific cooperative body," even presenting his vision for creating an Asia Pacific free trade bloc through an extension of NAFTA. In this way, the Clinton administration has aggressively put together a series of trade policies to strengthen and maintain the existing world economic system.

Whether or not Clintonomics can restore fiscal health to the United States won't be known yet for several years. So far, the economy seems to be doing very well. Partly because of past restructuring, business operations also seem to have taken a turn for the better. However, in 1993, while the real national income rose only \$200 billion, spending increased \$250 billion. In other words, this \$50 billion difference, which means a growth in domestic demand, will be made up by a reduction in savings. For Clintonomics to really work, people in the United States will have to save at a higher rate than they have in the past. It was to this end that money-tightening measures such as higher official discount rates were taken to slow the economy down. It is still too early, then, for optimism about the success of Clintonomics.

Why U.S., Japan Economic Relations Are Failing to Go Smoothly

The economic measures that the Clinton administration has been pushing for—economic reform, world economic growth and the strengthening and maintenance of

the existing trade system—as well as those more specifically aimed at Japan such as the expansion of domestic demand, deregulation and greater market access are all also in Japan's national interest. That is to say, what Japan is attempting—to expand domestic demand by stimulating the economy and implementing structural reform aimed at creating a domestic demand-led economy—match to a tee those demands the Clinton administration is now making on Japan. There should be no reason, then, to expect a clash of interests to occur between the two countries, at least in terms of economic policy.

Then, why at first glance does it seem the economic relationship between these two countries since the Clinton administration took office has not been going so well?

One reason is that neither side has tried hard enough to see their economic relationship in terms of the larger picture. Their focus has been on narrow, technical problems—for example, concerns about differences in their interpretation of "objective criteria" or concerns that Japan's steps to open its markets will not be exactly what the United States intended. Japan's media has been especially guilty of contributing to this narrow focus. And as a result, misinterpretations and misunderstandings have been widespread on both sides.

The second reason is that the climate of opinion has changed in both countries. Within the framework of the Cold War structure, the Japanese understood the importance of the alliance between Japan and the United States; People in the United States, too, recognized the importance of this alliance, especially for their national security, and agreed to accept the cost of maintaining the relationship. With the collapse of the Cold War order, this consensus in their respect countries started to break down. Thus, although one would expect their economic interests to coincide, both these factors have contributed to more and more friction between the two countries. Efforts to correct this situation must be made.

For the Japanese, the task is to do what is right for their national interest. This means boldly carrying out structural reforms aimed at creating an economy led by domestic demand; specifically, it means expanding domestic demand and deregulating and opening its markets. For the people in the United States, the question is how to carry out the Clinton agenda for rebuilding the national coffer. Their common problem is to figure out how their two countries can cooperate to see that the world economy continues to grow and to maintain and strengthen their economic relationship.

Aiming for Balance of Interests

It is conceivable that the foreign security policy of the United States will become victim to its economic problems. Theoretically, this shouldn't happen. In actuality, when one relationship [economic] deteriorates, the other [security] relationship will also be affected. In bilateral

relationships during times of war, national security takes precedence; but during times of peace, such relationships will not remain stable unless a balance is struck in terms of their respective interests. The relationship between the United States and Japan under the Cold War structure was stable; for even though the balance tilted toward Japan in economic matters, the United States recognized Japan's value as a military base. Japan, for its part, must keep its security ties with the United States separate from their deteriorating economic relations. From the moment that the Japan-U.S. alliance breaks down, Japan will start having enormous difficulties in its relationship with other Asian countries. Nor will these difficulties be limited to Asia. Japan will also have a hard time in its relationships with Russia and the Middle East in policy matters as well.

In the post-Cold War period, it is natural that Japan should be less strategically important to the United States in terms of national security. The question for Japan is how to close that gap. On the economic front, Japan must create an economy which is led by domestic demand and a market that is attractive to the U.S. businesses by relaxing regulations and further opening its doors to them.

Can Japan Carry Out Economic Reform?

There are two very important problems to be addressed if Japan is to carry out economic reform. One is the need for strong political leadership. In the abstract, the idea of market access and deregulation has support; but when it comes down to specifics, industries and those individuals whose interests will be affected will resist. For Japan's future, reform is absolutely necessary. Without public support, only the voices of those special interest groups will reach government ears. Thus, it is extremely important in order for reform to proceed to gain broad-based public support.

Secondly, pressure from the United States must not be used as a way to educate the public. The Japanese people must be made to understand the importance for Japan's interests of opening its markets. Until now, the Japanese Government has been too ready to use the U.S. pressure instead. However, the repeated use of such pressure may unnecessarily stir up Japanese sentiments against the United States. In the future, rather than government by "foreign pressure," efforts must be made to form a consensus among the Japanese people to implement needed policies.

Encouraging Positive Diplomacy

In the Cold War structure, the United States has always been the leader among its western allies. Thus, whether in its international relationships or, more specifically, in its relationship with Japan, it has only known how to behave as a leader. But it must now learn how to behave as an equal partner. After the war, Japan, for its part, has never experienced the role of being an equal partner to the United States. The only role it has known is that of a

passive, dependent country. Given these past differences, difficulties in U.S.-Japan relations are likely to emerge. For Japan, the task now is to engage its people in a discussion of what kind of country they want the United States to be for Japan and what sort of policies they ought to take toward the United States in order to see their vision come to pass.

Without this sort of debate, the Japanese are liable to think of foreign diplomacy merely as a way of reacting to the U.S. opinions and demands. But, essentially, it is a way for Japan to change the terms for living in the international community to those that it sees as desirable for Japan. In terms of its relationships with other countries, Japan must think positively in terms of how it would like to see its relations with the United States, China, or Russia develop and consider what Japan can do to see that this happens. The same with the United Nations. It is not as though the United Nations has been carved in stone. The Japanese must discuss and debate what sort of United Nations it wants to have for Japan and what it can do toward this end. The same with its relationship to the United States. The times now demand that Japan take a more aggressive approach to its own affairs.

Mondale Seeks Defense Assistance in Haiti

OW1310115494 Tokyo KYODO in English 1112 GMT 13 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 13 KYODO—U.S. Ambassador Walter Mondale called on Japan on Thursday [13 October] to help restore democracy in Haiti, from which deposed military leader Lt. Gen. Raoul Cedras left earlier in the day, Japanese officials said.

They said Mondale made the request in a meeting with Defense Agency Chief Tokuichiro Tamazawa, who they said did not give a clear-cut answer.

Mondale told Tamazawa that the withdrawal of Iraqi troops from the Iraq-Kuwait border appears to be proceeding smoothly, the officials said after the meeting at the Defense Agency.

Tamazawa invited Mondale to his agency to explain details of the dispatch of Japanese Self-Defense Forces personnel to help Rwandan refugees.

DA Chief Says No Dispatch of SDF to Haiti

OW1410024494 Tokyo KYODO in English 0233 GMT 14 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 14 KYODO—Defense Agency [DA] chief Tokuichiro Tamazawa said Friday [14 October] Japan will not send the Self-Defense Forces to Haiti to help restore democracy there.

Tamazawa made the remarks at a press conference one day after U.S. Ambassador to Japan Walter Mondale called for Japan's help in Haiti's democratization in a meeting with Tamazawa.

"Haiti will hold elections without help and there will be no request for UN peacekeeping operations and a dispatch of personnel," Tamazawa said. He said Japan will cooperate in the rehabilitation of Haiti mainly through economic assistance.

Deposed military Leader Lt. Gen. Raoul Cedras was flown to exile in Panama on Thursday, clearing the way for President Jean-Bertrand Aristide's return to the Caribbean country three years after his ouster in a coup in 1991.

Taiwan Proposes Ministerial Meeting With Tokyo

OW1410122394 Tokyo KYODO in English 1019 GMT 14 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 14 KYODO—Taiwan has proposed a ministerial meeting with Japan during the coming Osaka conference of the Asia-Pacific Economic Cooperation (APEC) forum, a senior Japanese trade ministry official said Friday [14 October].

The meeting, if realized, would mark the first ministerial meeting between Tokyo and Taipei in about 22 years.

Japanese Trade Minister Ryutaro Hashimoto will chair the two-day APEC conference on small companies, which will draw trade and economic ministers from the 17 APEC members, including Taiwanese Economic Minister Chiang Ping-kun.

"Hashimoto's meeting with Chiang would pose no problems if discussion is limited to APEC issues," said the official at the Ministry of International Trade and Industry (MITI), who declined to be identified.

A top Foreign Ministry official also supported the proposed Hashimoto-Chiang meeting, saying, "there would be no problem if it were held under the APEC formula because Taiwan is a member."

"If such a meeting caused problems, it wouldn't make any sense for Japan to remain within APEC," he said.

The remarks carried the implication that a meeting could be rejected by the Japanese side if it were requested within a bilateral context.

Such a meeting would trigger new tensions between Japan and China.

China recently reacted harshly against the Olympic Council of Asia's invitation to Taiwan's president to attend the opening ceremony of the Hiroshima Asian Games.

No ministerial meeting has been held between Japan and Taiwan since Tokyo severed diplomatic relations with Taipei following Japan's establishment of diplomatic ties with Beijing in 1972.

Owada Urges Early Restructuring of UNSC

*OW1410040694 Tokyo KYODO in English 0341 GMT
14 Oct 94*

[FBIS Transcribed Text] New York, Oct. 13 KYODO—Hisashi Owada, Japanese ambassador to the United Nations, reaffirmed Friday [14 October] Japan's desire to become a permanent member of the UN Security Council and urged an agreement be reached on the restructuring of the council in time for next year's 50th anniversary of the founding of the world body.

Owada made the comments during a UN General Assembly debate on restructuring of the council in a speech that covered points already made by Japanese Foreign Minister Yohei Kono in a speech to the UN on Sept. 27.

Kono, in the address to the UN General assembly said, "Japan is prepared, with the endorsement of many countries, to discharge its responsibilities as a permanent member of the Security Council."

Owada said Japan also hopes for the early reconvening of a special working committee charged with drawing up proposals for the restructuring of the council, together with informal meetings on the subject and the early establishment of a secretariat for the committee.

Owada also asked UN members to work toward the drawing up of a plan for council restructuring in time for its presentation to a special General Assembly meeting next year.

The ambassador told the UN that Japan's constitution prohibits the use of force in settling international disputes but Japan wants to take part in UN peacekeeping activities.

He told the meeting a restructured council should reflect the presence of countries newly emerged as influential in world affairs, it should be a fair representation of member countries, and membership should be distributed evenly on a geographical basis.

The five permanent members of the UN Security council with veto power—Britain, China, France, Russia, and the United States—are the victors of World War II. Owada, who is the father of Crown Princess Masako, took up his UN post in April.

Ruggiero Asks Support on Bid To Head WTO

*OW1310121294 Tokyo KYODO in English 0955 GMT
13 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 13 KYODO—Former Italian Foreign Trade Minister Renato Ruggiero indirectly called on Japan Thursday [13 October] to support his bid to become the head of the World Trade Organization (WTO), Foreign Ministry officials said.

In a 25-minute meeting at the Foreign Ministry, Ruggiero asked Foreign Minister Yohei Kono to be "open-minded" in supporting a candidate for the new trade body although he understands Japan's position on the matter, the officials said.

Kono reportedly told Ruggiero that Japan has already decided to support a South Korean candidate, Trade, Industry and Energy Minister Kim Chul-su, for the WTO leadership.

Ruggiero also said the WTO should maintain and strengthen free trade and secure a multilateral trade system.

He also was quoted as saying it should be an international organization that has the ability to suppress regionalism and unilateralism.

The WTO is scheduled to be formed in January 1995 to replace the General Agreement on Tariffs and Trade.

Besides Ruggiero and South Korea's Kim, Mexican President Carlos Salinas and former Brazilian Minister of the Economy Rubens Rucupero are also making bids to become head of the WTO.

Loan Team Delays Trip Due to PRC Nuclear Test

*OW1310141094 Tokyo KYODO in English 1357 GMT
13 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 13 KYODO—The Japanese Government has deferred for some time the sending of a team to China for talks on projects to be covered by a new yen loan in protest at the nuclear test conducted last Friday by China, government sources said Thursday [13 October].

The mission, made up of officials from the Ministry of International Trade and Industry, the Foreign Ministry, the Finance Ministry and the Economic Planning Agency (EPA), was due to leave Sunday for two-day consultations.

The loan to be extended from fiscal 1996 is the fourth in a series.

Ministry of International Trade and Industry sources said that judging from international public opinion, it is inappropriate to hold yen loan talks with China immediately after a nuclear test conducted by that country.

The government will probably resume working-level talks with China late this month or early next month, and hold bureau chief-level talks in December to set the total amount of the fourth loan, the sources said.

Tokyo Awards Flood Aid to Russian Far East

*OW1310144894 Tokyo KYODO in English 1415 GMT
13 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 13 KYODO—Japan on Thursday [13 October] gave medicine and

medical equipment worth 13,000 dollars to the coastal region of the Russian Far East which was hit by floods late last month, Foreign Ministry officials said.

Japanese Government officials handed over the goods to the Russian side earlier in the day, the officials said.

The assistance will help cover the medical needs of about 10,000 residents in the area for six months, they said.

Japan is considering extending further aid to the area if necessary, they said.

MITI Studies Expansion of IPR Protection

OW1310144194 Tokyo NIHON KEIZAI SHIMBUN in Japanese 13 Oct 94 Morning Edition p 7

[FBIS Translated Text] The Ministry of International Trade and Industry [MITI] has started to study measures to ensure the protection of intellectual property rights which cover new areas, including multimedia and genetic engineering industries. In the field of multimedia, which merges computers and communications, copyrights involving hardware and software may become a complicated issue. MITI therefore plans to clarify matters regarding such rights. In enterprises involving genetics, it is expected that many technologies which have so far remained in the research stage may advance to a point where they may become marketable. MITI thus plans to study the possibility of protecting rights regarding such technologies in their early stages. Since the United States leads Japan in these two areas, MITI hopes to prepare measures to protect intellectual property rights in order to prevent friction with the United States well in advance.

MITI plans to avoid confining itself to patent laws, trademark laws, design laws, and other existing laws regarding the protection of intellectual property rights. It plans to study the possibility of coming up with new laws to protect such rights, if necessary.

Multimedia software allows the user to produce new material by processing and altering a wide variety of materials, including existing music, visual, and other computer software. Consequently, MITI plans to study the possibility of setting up a new "digital data center" for the centralized management of copyrights involving visual and musical works.

The genetics industry is involved with the application of technology to separate and remove from genes substances which have such desirable effects as helping cells grow and increasing blood production to manufacturing and improving the quality of pharmaceutical, food, and chemical products. In the United States, a new business has rapidly developed whereby venture businesses that have been able to analyze desirable substances have provided big businesses and other customers with their technologies to produce such substances and have them patented. MITI believes that such activities may become vigorous in Japan as well. It thereby plans to work with

firms which are considering entering the genetics industry to conduct research on, among other things, how the patent system ought to be developed.

Panel Fails To Agree on New Food Control Law

OW1410095794 Tokyo KYODO in English 0923 GMT 14 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 14 KYODO—The ruling coalition's project team on agriculture failed Friday [14 October] to reach agreement on proposed legislation for stabilizing food supplies and prices in Japan, coalition officials said.

The bill is intended to replace the existing Food Control Law, under which the government controls production and distribution of most of the rice in Japan.

The Agriculture, Forestry and Fisheries Ministry has submitted an outline of the legislation to the coalition for approval prior to presentation to the Diet.

The officials said the project team failed to reach agreement when some members argued that the legislation and related measures, which have yet to be worked out, should be treated as a package.

Cabinet approval, originally expected Oct. 21, is likely to be delayed, the officials said.

They said the team will meet every day, beginning next week, to iron out differences on the issue.

Saito Wants Tax Hike Funds for Public Works

OW1310114394 Tokyo KYODO in English 0937 GMT 13 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 13 KYODO—Vice Finance Minister Jiro Saito expressed hopes Thursday [13 October] that funds for the new public works plan will receive due consideration when the government reviews the already-planned consumption tax hike.

"It is certainly one of the issues for discussion," Saito told reporters, referring to a provision included in the government's tax reform package for reviewing the scale of the consumption tax hike before it is implemented.

The package calls for hiking the tax hike to 5 percent from the current 3 percent in April 1997.

The provision allows the government to review the action in line with fiscal conditions primarily involving welfare spending, and administrative and fiscal reforms. But it does not directly touch on public works.

The new public works plan worth 640 trillion yen starting in fiscal 1995 was decided on last week to replace the 10-year 430 trillion yen plan that began in fiscal 1991.

EPA: Reformed Tax System To Boost GDP Growth

*OW1410023194 Tokyo KYODO in English 0200 GMT
14 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 14 KYODO—If the tax system is reformed as planned by the government, it will push up the growth rate of Japan's gross domestic product (GDP) by an average 0.4 percentage point in real terms each year from fiscal 1994 to 1999, the Economic Planning Agency (EPA) said Friday [14 October].

In nominal terms, the GDP will be pushed up 1.1 points each year, the agency said, in a calculation of the pump-priming effects of the tax reform program. On the other hand, it added, the hike in consumption tax from April 1997, which is included as a part of the tax reform program, will push up the nation's consumer prices by 1.5 percentage points. The calculation was submitted at the day's cabinet meeting, where a package of the government's tax reform bills was also on the table for approval.

The EPA concluded that the tax reform program will have the effect of pushing up the GDP—the nation's total domestic output of goods and services—and bringing about a domestic demand-led national economy. On the GDP, the agency only announced the average annual effect and declined to reveal the difference for each year before and after the consumption tax hike—leaving the pull-down effects of the consumption tax rise unclear.

Under the reform package, the government plans to cut 3.80 trillion yen worth of income tax in fiscal 1995 and the following year, the same amount cut in the current fiscal year. It will then raise the current 3 percent consumption tax to 5 percent in fiscal 1997 to boost annual revenues by about 2.38 trillion yen.

The agency, though, did not include in its calculation the so-called "price busting" phenomenon, or price-cutting efforts initiated mainly by retailers to stimulate competition currently spreading on the domestic market. It said the 0.4 point hike in the GDP is expected if the government does not carry out a special tax cut worth 2 trillion yen. If such a cut is implemented, the overall tax cut will boost the GDP by 0.5 point, the agency added. The 0.4 point figure consists of a 0.6 point increase in domestic demand and a 0.2 point decrease in overseas demand, it said.

By category, the new tax system is expected to boost personal consumption by 0.9 point, housing investment by 1.1 points, corporate capital investment by 0.4 point and imports by 1.1 points. But it will push down exports by 0.2 percentage point.

EPA Report: Industrial Output 'Improving'

*OW1410002194 Tokyo KYODO in English 0008 GMT
14 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 14 KYODO—Government economists painted a bright picture Friday [14 October] of prospects for an economic recovery but stopped short of formally declaring an end to the longest postwar economic recession which began three years ago.

In its latest monthly report on the state of the economy, the Economic Planning Agency (EPA) left unchanged the wording used to describe the state of the economy.

"The nation's economy is heading toward recovery, albeit at a gradual pace, as bright spots have been spreading recently, although it remains in an adjustment phase marked by factors such as corporate capital investment," the EPA reiterated, as in its previous report, which used the word "recovery" for the first time in a year.

However, the latest report revised a phrase referring to industrial output, saying there are signs that production at mines and factories is improving. In the previous report, the agency merely described industrial output as "being increasingly steady." An agency official cited official projections for the July-September quarter as a key factor behind the change.

The Ministry of International Trade and Industry forecast that industrial production in the quarter will grow 1.9 percent from the previous quarter for the third straight quarterly gain and 1.8 percent from a year earlier for the first increase in 12 quarters.

On personal spending, a key driving force for economic growth, the report reiterated last month's EPA view that signs are spreading that personal spending is becoming steady.

Turning to corporate capital spending, another pillar of economic growth, the report also repeated last month's judgment that capital spending by and large continues to go down, despite bright spots in some industries. Agency officials have said corporate capital spending is the key for declaring an end to the three-year-old economic slump.

EPA reports represent an amalgamation of previously issued statistics regarding consumer spending, retail sales, capital spending and wholesale prices for the immediately preceding month.

EPA Chief Komura Expresses Caution on Economy

*OW1410021394 Tokyo KYODO in English 0145 GMT
14 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 14 KYODO—Japan's economy still has a weak potential for recovery

and higher interest rates may put a damper on its upward movement, the Economic Planning Agency (EPA) chief said Friday [14 October].

"The economy is yet to stage a full-fledged recovery, though it is moving gradually in that direction," Masahiko Komura, the EPA's director general, told reporters after a morning cabinet meeting.

Against this backdrop, the state minister said recent rises in interest rates still carry "both good and bad aspects" for the economy. Higher rates may hurt the slow recovery but also reflect a "firming economy," Komura said, expressing caution over the recent rate trend.

His comments countered Bank of Japan Governor Yasushi Mieno's remarks to the press Wednesday in which he implied that slight rises in interest rates would be tolerated. Mieno said, "I can't complain about slight rises" in interest rates, which he described as "natural" when an economy is improving. The central bank chief added the recent higher rates are unlikely to dampen the economy.

Telecom Council To Advise on Information Systems

*OW1310115794 Tokyo KYODO in English 1050 GMT
13 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 13 KYODO—The postal ministry asked its Telecommunications Council Thursday [13 October] for advice on establishing the Japanese version of the "information superhighway," a high-speed global data-exchange network, ministry officials said.

The Ministry of Posts and Telecommunications seeks to promote international cooperation by establishing the national infrastructure for a new generation of telecommunications, the officials said.

The council is expected to work out interim recommendations before a Group of Seven (G-7) ministerial meeting on telecommunications set for February 1995 and compile final recommendations in May 1995, they said.

They said the recommendations will cover the basic concept of a data-exchange network, international cooperation in laying new telecommunications systems, especially optical-fiber cable systems, and development of software for international data exchanges on medical and environmental issues.

U.S. Vice President Al Gore originally proposed a concept for the information superhighway in March.

Bidding To Begin on Russian Nuclear Waste Plant

*OW1410095294 Tokyo KYODO in English 0855 GMT
14 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 14 KYODO—A project by Japan and Russia to build a nuclear waste

storage facility in the Russian Far East moved a step forward as procedures to conduct international bidding began Friday [14 October], the Foreign Ministry said.

The Japan-Russia Nuclear Disposal Cooperation Committee sent early Friday documents on the bidding to concerned companies to select contractors for a new plant to store liquid nuclear waste near Vladivostok, the ministry said.

The structure, which will be a floating-type facility on top of a barge, will be moored at a quay of a plant that dismantles nuclear-powered submarines.

Japan and Russia have been discussing the matter since last November, following Russia's dumping of radioactive waste into the Sea of Japan in October 1993, which sparked an international uproar.

Russia had threatened to resume dumping, citing a lack of a facility to process and store excess radioactive materials.

The two nations agreed in August to use part of Japan's 100 million-dollar aid package to help Russia dismantle nuclear weapons.

MITI Approves Reopening of Mihama Reactor

*OW1310122594 Tokyo KYODO in English 1032 GMT
13 Oct 94*

[FBIS Transcribed Text] Fukui, Japan, Oct. 13 KYODO—The Ministry of International Trade and Industry (MITI) gave the go-ahead Thursday [13 October] for renewed operation of a reactor at the Mihama nuclear power plant more than three years after a breakdown forced an emergency core-cooling system to kick on, averting a possible meltdown.

The overhauled 500-megawatt No. 2 reactor at the plant in Fukui Prefecture, western Japan, shut down on Feb. 9, 1991, after part of a tiny pipe that carries high-pressure boiling water in the reactor's steam generator broke in half.

The Mihama plant on the Sea of Japan coast is operated by Kansai Electric Power Co.

The break allowed 5TP tons of radioactive water to leak from the primary cooling system to the secondary system which powers the reactor's turbine.

This led to activation of the reactor's emergency core-cooling system, the first such incident in Japan.

The pipe should have been held in place by an anti-vibration bar designed to reduce the vibrations that can cause metal fatigue.

In August, following lengthy repairs, the company began test running the 22-year-old reactor. It again shut down the reactor on Sept. 10 to conduct a thorough inspection of the plant following the test run.

The reactor was restarted on Sept. 23 and test run at full capacity from Oct. 4.

To show the public that it learned a lesson from the accident, the company is displaying the original faulty part encased in lead glass in a newly-built display center on the grounds of the power station.

MSDF Decommissions Last Navy Torpedo Boat
OW1410095594 Tokyo KYODO in English 0847 GMT 14 Oct 94

[FBIS Transcribed Text] Aomori, Japan, Oct. 14 KYODO—The Maritime Self-Defense Force (MSDF) decommissioned its last torpedo boat Friday [14 October], marking the complete replacement of torpedo boats with a fleet of hydrofoil warships armed with missiles.

A ceremony to mark the decommissioning of the 100-ton No. 15 torpedo boat was held at the Ominato base in Mutsu, Aomori Prefecture.

"I am moved that I could complete the duties as the captain of the last torpedo boat of the Self-Defense Forces," Capt. Hideyuki Hokari said during the ceremony.

Torpedo boats are small and fast for quickly approaching and attacking enemy ships with torpedoes.

The defunct Imperial Navy built up a fleet of some 540 torpedo boats. The MSDF, which was established after World War II, has also deployed a total of 15 torpedo boats with an eye to repelling attacks on Japanese shores.

However, the prevailing maritime battle strategy based on using missiles from distant positions has outdated the use of torpedo boats, officers said.

The Torpedo Boat No. 15 was armed with four torpedo-launching tubes and ranked among the world's fastest torpedo vessels.

However, the deployment in recent years of the hydrofoil warships armed with antiship missiles with a range of more than 100 kilometers has forced the successive decommissioning of Japanese torpedo boats.

Murayama Welcomes Emperor on Return Home
OW1410103394 Tokyo KYODO in English 0935 GMT 14 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 14 KYODO—Japanese Emperor Akihito and Empress Michiko returned home Friday [14 October], concluding their 13-day tour to France and Spain.

The imperial couple left Japan on Oct. 2 for visits to Paris, Toulouse and Albi in France, and Majorca, Madrid, Salamanca and Barcelona in Spain.

They were greeted by Prime Minister Tomiichi Murayama, other government officials and Imperial family members at Tokyo's Haneda Airport.

"We received welcomes from many people, and I was pleased to know that people (in France and Spain) have friendly feelings toward us," the emperor said.

Opposition To Form New Unified Party 10 Dec
OW1310132994 Tokyo KYODO in English 1301 GMT 13 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 13 KYODO—Japan's noncommunist opposition forces will launch their long-planned unified opposition party on Dec. 10, opposition sources said Thursday [13 October].

The founding congress for the yet-unnamed party will be held at a conference center in Yokohama, Kanagawa Prefecture.

The decision was made at a meeting of the action committee of the new party preparatory conference, a panel of the parliamentary group Kaikaku (Renovation), which brings together 187 legislators.

DSP To Disband, Join New Opposition Party

OW1310135594 Tokyo NIHON KEIZAI SHIMBUN in Japanese 13 Oct 94 Morning Edition p 2

[FBIS Translated Text] At an executive committee meeting on 12 October, the Democratic Socialist Party [DSP] decided to hold an extraordinary party convention in Tokyo on 9 December to formally disband itself.

The party also decided: 1) To set up a preparatory committee headed by DSP Chairman Takashi Yonezawa to ensure a smooth dissolution process; 2) to set up in the near future a "DSP Association," a voluntary organization which will be in charge of liquidation work and take over party tasks following the dissolution; and 3) to hold a meeting of local party members on 30 October to hear their views on dissolving the party.

The DSP decided to convene its extraordinary party convention on 9 December because the inaugural meeting of the new party, which will be formed jointly by the opposition parties, excluding the Japan Communist Party, will most likely be held on 10 December.

The DSP and its local chapters are to join the new party. The preparatory committee will work out a manual for disbanding local chapters and promote discussions on how to treat the party's local assembly members, other party members, and office staff. The party is expected to face difficulty in deciding on how it should treat its more than 200 office staff members and in transferring 100,000 party members to the new party.

The "DSP Association," which will be established with the dissolution of the party, will take over party tasks

and act as an intermediary between Yuai-kai, a group composed of the labor unions which support the DSP, and the new party.

SDPJ Views Constitution as Key in Realignment

OW1310122494 Tokyo KYODO in English 1008 GMT 13 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 13 KYODO—A senior leader of the ruling Social Democratic Party (SDP) [of Japan, SDPJ] expressed his hope Thursday [13 October] for a reconfiguration of political parties, centering on their policies toward Japan's pacifist Constitution.

SDP Secretary General Wataru Kubo said in a speech in Tokyo that he is paying attention to the debate within the Liberal Democratic Party (LDP) on a possible shift in its policy seeking the replacement of the current Japanese Constitution.

"Envisaging the future course of political realignment, we must view it as a crucial move and keep a close watch," Kubo said.

The LDP, the largest contingent in the tripartite ruling coalition, has begun a series of discussions to review its decades-old party policies, including one to revise the 1947 Constitution that places severe curbs on Japan's military options.

Speculation is rife within the LDP that the discussions may be manipulated to endorse the position of former Deputy Prime Minister Masaharu Gotoda, who has long urged Japan's unswerving adherence to Article 9 of the Constitution, and who chairs the party debate.

The article bans Japan from threatening or using force to resolve international conflicts.

The SDP, headed by Prime Minister Tomiichi Murayama, has staunchly supported the pacifist Constitution, and some LDP legislators say their party must soften its policy of seeking to revise it, so as to strengthen relations with the SDP.

In his speech Kubo also reiterated his aim of uniting "social democratic" and "liberal" political forces to form a new party to best meet voters' expectations.

Major noncommunist opposition parties are poised to meld into a new single party in early December, which would rival the strength of the LDP and which threatens to wrest the reins of government from the current tripartite coalition.

Diet Testimony Sought From Hosokawa, Others

OW1310113394 Tokyo KYODO in English 1105 GMT 13 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 13 KYODO—The Liberal Democratic Party (LDP) on Thursday [13 October] demanded that six people, including former

Prime Minister Morihiro Hosokawa and a leader of the Buddhist layman organization Soka Gakkai, testify before the House of Councillors Budget Committee.

LDP upper house lawmakers voiced their demand at an agenda-setting meeting of the committee.

The LDP wants testimony from Hosokawa and another person over the former premier's suspicious loans from Sagawa Kyubin, a scandal-tainted trucking company.

The party is also seeking testimony from Akira Hosoya, vice president of Soka Gakkai, the principal support group for the opposition Komeito party, and three others over the issue of Komeito's relations with the religious layman group.

The Japanese Communist Party also called for Diet testimony from eight people, including Hosokawa, former Prime Minister Noboru Takeshita, and Shinseito [Japan Renewal Party] leader Ichiro Ozawa, concerning their alleged ties to the nation's construction industry.

The upper house Budget Committee is scheduled to hold sessions on Friday, Monday and Tuesday.

Coalition Dietmen To Serve as Murayama Advisers

OW1410095694 Tokyo KYODO in English 0849 GMT 14 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 14 KYODO—Three ruling coalition legislators will serve as Prime Minister Tomiichi Murayama's advisers beginning next week, the top government spokesman said Friday [14 October].

"They will cooperate with the premier as his personal advisers, so to speak," Chief Cabinet Secretary Kozo Igarashi said at a news conference.

The three are Hidenao Nakagawa of the Liberal Democratic Party, Masaru Hayakawa of Murayama's Social Democratic Party and Atsushi Nishikori of new party Sakigake [Harbinger].

The three ruling parties chose the advisers at Murayama's request, Igarashi said.

The three men will have their first meeting with Murayama next week and discuss what they should do for the chief executive.

Under the former government of Prime Minister Morihiro Hosokawa, Shusei Tanaka, who is now acting leader of Sakigake, served as a special adviser to Hosokawa.

Apology Offered on Official's Remarks on Okinawa

OW1410095094 Naha OKINAWA TIMES in Japanese 14 Oct 94 Morning Edition p 2

[FBIS Translated Text] Tokyo—Noboru Hoshuyama, director general of the Defense Facilities Administration

Agency [DFAA], said that "Okinawa should learn to live in coexistence and symbiosis with U.S. military bases." In this regard, Prime Minister Tomiichi Murayama and Defense Agency Director General Tokuichi Tamazawa, who nominated Hoshuyama to the post of DFAA director general, at a plenary session of the House of Representatives apologized for the remarks. Following their apologies, the Social Democratic Party of Japan [SDPJ] held a Central Executive Committee meeting on 13 October and said: "Although we are not completely satisfied, we can appraise their apologies, which actually retract the remarks completely and refer to future reduction of the military bases. This is the very limit we can do for the time being to get an agreement within the coalition government." In this way, the Central Executive Committee approved a plan to actually put an end to the issue.

Over the Hoshuyama remarks, on the other hand, SDPJ Okinawa prefectural headquarters launched a plan to freeze its ties with the SDPJ headquarters in an attempt to seek Director General Hoshuyama's resignation. Because of this, the SDPJ, with its organizational bureau chief as a central figure, is negotiating with the prefectural headquarters, saying that Secretary General Wataru Kuro will visit Okinawa if necessary. The party will continue to seek the understanding of the people in Okinawa. Moreover, the SDPJ is also saying that its resolve to buckle down to the issue of U.S. bases on Okinawa will not change even if the party changes its policies toward "firmly maintaining the Japan-U.S. Security Treaty." The same party confirmed that it will do its best to solve the base issues, including enactment of a bill concerning use of military land.

The Hoshuyama remarks drew angry reactions from SDPJ Okinawa prefectural headquarters. Because of this, the Liberal Democratic Party and the SDPJ of the ruling coalition began to coordinate measures to deal with the issue. At a news conference held on 30 September, DFAA Director General Hoshuyama explained a plan to retract the portion on "coexistence and symbiosis with U.S. military bases." Moreover, Prime Minister Murayama at a plenary session of the House of Representatives expressed his "regret." DA Director General Tamazawa also made an apology, saying that the remarks "lacked consideration for the feelings of the prefecture's people."

On the same day, DFAA Director General Hoshuyama also held a news conference and retracted inappropriate portions of his remarks. The portions he retracted are on "coexistence and symbiosis, the SDPJ's fundamental policies, prefectural authorities' administrative efforts made so far in dealing with base matters, and the bill concerning the use of military land which was submitted to the Diet as legislation by House members to promote the use of military land after the military bases are withdrawn.

LDP-SDPJ Coalition Aims To Maintain Power

942A0699A Tokyo NIKKEI BUSINESS in Japanese 5 Sep 94 pp 32-33

[Unattributed article: "LDP and SDPJ Coalition Government Aims for Maintaining Power Rather Than Reform; Zoku Dietmen Walk Proudly"]

[FBIS Translated Text] *The Murayama government, a coalition of the Liberal Democratic Party [LDP] and the Social Democratic Party of Japan [SDPJ], has retreated from the path of reform in order to maintain power. With the plan for "The Reform of Special Corporations" by the New Party Sakigake [Harbinger] summarily put on the shelf, zoku Diet members have begun publicly taking an active part in agricultural and budget issues.*

"Because the prime minister has severely admonished him and he made personal apologies and disowned the remarks completely, I wonder this could somehow be ridden out?" Tomio Yamamoto, secretary general of the LDP upper house members and a close friend of Shin Sakurai, former director general of the Environment Agency, telephoned foreign minister and LDP president, Yohei Kono, who was at the Diet member quarters in Takawa, Tokyo. This was the day following the evening of 13 August [1994] that Shin Sakurai observed regarding World War II: "Japan didn't fight a war of aggression as thought." "I understand your feelings. However, I have in hand a fax I've just received from the Ministry of Foreign Affairs giving China's response. It's very stern. Responses from Korea and elsewhere are similarly stern." Although Mr. Kono did not give any clear indication as to how he would respond to, it was clear that he intended to hold Mr. Sakurai responsible because of the relationship with the SDPJ.

Priority Is To Avoid Opposition Strategy To Divide Coalition Government, Not Dealing Matters Concerning the End of the World War II or Tax Reform

In the end, Mr. Sakurai abruptly resigned two days following his speech on 14 [August]. Cabinet members have been repeatedly driven to resign over speeches about World War II any number of times including the period when the LDP had sole power because of the backlash from China and other Asian countries. However, what made Mr. Kono and other LDP executives more sensitive than the responses of Asian countries this time was their coalition partner in power, the SDPJ.

The Murayama government has been in power for two months. Although the three party coalition led by the LDP and the SDPJ refuted "illicit union" critics by saying that, "We will not just turn reform into a catchy phrase as did the former coalition, we will tangibly advance it" (Mr. Kono), it has become obvious that more than "reform" the biggest priority is to "maintain power."

The chairman of the LDP Policy Affairs Research Council, Mr. Koichi Kato, raised three thorny policy

issues facing the LDP-SDPJ coalition. "First, the two parties differ in their thinking on issues of the defense force and security guarantees; next their approach to tax reform is different, and third, they have different views on the historical acknowledgment of Japan's involvement in World War II and on ways of resolving it in the postwar period."

Eight party leaders, including heads of the three parties in power led by Prime Minister Murayama, had an interparty dinner together the night of 22 August. It is related that the discussion focused on how the three parties were to deal with these issues.

On the issue of legislating the "Atomic Bombing Victims Assistance Law," which the two parties are totally at odds over and which involves national compensation for victims of the atomic bombings, deputy director of the secretariat, Hiroyuki Sonoda, touched things off by saying, "It's best that this issue be brought to some sort of conclusion in the next extraordinary session of the Diet." Mr. Kono expressed his concern that, "The former coalition parties have put together a detailed plan close to that of the SDPJ. By dilly-dallying they are stringing along a segment of the SDPJ such that it is not possible to introduce a bill. We must not let this issue be used for splitting the two parties."

Next, their discussion turned to tax reform. Masayoshi Takemura, who is the Sakigake leader and minister of Finance, has distributed documents he prepared. He has explained the details of the supplementary provisions to the law on temporary measures for this fiscal year's income tax reduction approved during the regular session of the Diet saying, "We have decided to carry out a drastic income tax reduction and to implement tax reform in addition to examining the overall tax system." He observed that, "If we act contrary to this, we can anticipate repulsion from the opposition parties and it will be extremely difficult for us to come through the extraordinary Diet session." He also emphasized that the three parties would have to come to a conclusion on the issue of raising the consumption tax rate. On the minds of the leadership of the three parties were not how the tax reform and the issue of dealing with Japan's involvement in World War II should be, but how to maneuver Shinseito Secretary General Ichiro Ozawa and opposition parties' strategy of dividing the coalition government in order to maintain the power.

In fact, the three points raised by Mr. Kato are issues that the LDP and SDPJ parties were at loggerheads over during the period the LDP held sole power. In the two-month period since the inauguration of the Murayama government, it is evident that they are taking pains to gloss over their differences for the sake of maintaining power rather than the two parties getting on with working out their differences on these issues. The manifestation of this reversal is their posture on "reform," which signifies maintaining the status quo.

The three parties in power in achieving the inauguration of a government have incorporated in an "articles of

mutual agreement" political reform, administrative reform, and economic reform such as deregulation of various matters. Sakigake, which is particularly earnest about administrative reform, has been conducting a study since the former coalition party was in power and has put together an independent plan for reform entitled, "On the Reform of Special Corporations." The party has proposed abolishing, combining, downsizing, or privatizing, naming individually the current 92 special corporations based on an analysis of current circumstances.

The One-Year Experience of the Opposition Parties Was Too Short To Gain From Applying the Scalpel to a Government

Sakigake at the beginning of August made a presentation to the "administrative reform project team" created by the three parties in power. The response of the LDP and the SDPJ, however, was sluggish. "Although Sakigake is fine, the LDP and the SDPJ are bearing the brunt of things" (moderator, Mr. Kiyoshi Mizuno of the LDP). "We must hear the opinion of the labor unions of the special corporations that we are involved with" (Tsutomu Yamamoto of the SDPJ). Although this is the project team that was inaugurated to examine deregulation, administrative reform, and decentralization of authority based on the agreement of the three parties at the time the government was formed, Sakigake proposal has been summarily shelved.

Not only that, the zoku Diet members that drew a flood of criticism as the fountainhead of government for gain during the era of exclusive power by the LDP, which now forms the backbone of the current government, once again reared its head at the end of July at the forum for creating standards required for approximation of fiscal year budgets. At an executive meeting of the LDP on 2 August, Finance Committee Chairman Shinji Sato observed, "The expression zoku Diet member has a bad ring to it. There has been reports criticizing zoku Diet members that their evil practice has returned, but that is absurd." And Secretary Yoshiro Mori openly recognizes return of zoku Diet members by saying, "It has plusses and minuses for zoku Diet members. In order to rectify bureaucratic domination, Diet members who are well versed in specific areas are needed."

Moreover, as if to dispel gloom the year-long in its life as the opposition party, the LDP, now restored to power, began criticizing the financial circles.

At a meeting of the LDP Tax Commission at the end of July, junior Diet members one after another voiced that the Exceptions to Tax Laws Act "favors big business and ought to be repealed." Therefore, it was decided that the Tax Commission will study into this matter. The president of the Japan Federation of Employers' Associations Ken Nagano said in an address of 18 August that, "Under the pretext of protecting agriculture, we commonly use our limited lands inefficiently." Immediately the LDP Research Commission on Comprehensive Agricultural Policy held a joint meeting of Agriculture and

Forestry Division and overreacted to this charge of inefficiency: "We as a party absolutely refute on theoretical grounds any such utterance" (director of the LDP Agriculture and Forestry Division, Shoichi Nakagawa).

Against this background, in addition to adopting a close relationship with the former coalition government, the financial circles during this past year criticized the LDP for its negative stance on political and economic reform. Moreover, for reasons of the economic slump, contributions by big business to the LDP "dropped by huge percentages" (LDP leadership). It is all too clear that once again the LDP is aiming to pull the financial circles closer to it by opening fire on their stern posture.

It is inevitable that the current government, in which the LDP and the SDPJ have locked arms in mutual support of the 1955 system, sees the necessity for maintaining the status quo. The driving force of the LDP supposedly has been one year experience as an opposition party. However, it had all too short a time as an opposition party to do any radical surgery in its traditional approach to government, which got the label "government for gain" for its core of supporting organizations such as agricultural groups and small businesses cultivated over many years.

Additionally, it is apprehensive concerning the reelection of incumbent members once the new single-seat constituencies with a proportional presentation system is implemented in the lower house. It needs to be more aware of support groups and voters than it is today.

On 28 July, the first anniversary of the LDP's becoming an opposition party, Mr. Kono said at a press conference, "We must not lose sight of the peril we have just been through. We must meditate on what feelings our supporters have had in the passage of this year." These words do not make one sense anything but their persistence in maintaining power.

North Korea

Clinton's Policy, Landing in Haiti Denounced

SK1410084594 *Pyongyang Korean Central Broadcasting Network in Korean 0821 GMT 14 Oct 94*

[FBIS Translated Text] According to reports, in a recent address to the UN General Assembly, U.S. President Clinton defended his policy for invading Haiti, and said that the United States would use strength when necessary and that it would act independently.

As is already known, the United States deployed a large scale of Armed Forces around Haiti and gradually expanded the threat of military intervention. The United States finally had 20,000 U.S. Marines land in this nation and thus entered a path of undisguisedly interfering in this nation's domestic affairs.

The United States has been interfering in Haiti for a long time. The United States has a long, deep-rooted history

of aggression and interference in Latin America. The U.S. aggression and interference maneuvers have been perpetrated not only in Latin America but also in many places in the world.

This is the expression of the invariable imperialist ambition of the United States to dominate the world with strength.

UN Delegates Cited on Korean Nuclear Issue

OW1410055394 *Pyongyang KCNA in English 0418 GMT 14 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 14 (KCNA)—Delegates of different countries spoke of the nuclear issue in the Korean peninsula in their speeches at the 49th United Nations General Assembly session.

The Cameroonian Foreign Minister hailed the progress in the talks between North Korea and the United States over North Korea's "nuclear issue" and hoped for a peaceful solution to the divergence between the two countries.

The Malagasy foreign minister said that, as regards the nuclear issue of the Korean peninsula, the authorities concerned must continue talks and resolve the issue in a fair way.

The Togolese minister of foreign affairs and cooperation welcomed the agreement reached recently between the Democratic People's Republic of Korea and the United States and declared that, through the staunch position of the DPRK, Togo sees its will for ensuring peace and security in this region.

The Swazi prime minister voiced support for all the efforts of the DPRK for a peaceful solution to the nuclear issue of the Korean peninsula.

The Libyan secretary of the General People's Committee for Foreign Liaison and International Cooperation hoped that difficulties in the reunification of the Korean peninsula will be overcome through dialogue based on equality.

The Thai foreign minister welcomed the affirmative progress in the solution to the nuclear issue in the Korean peninsula and expressed the hope that dialogue and negotiation between the countries concerned will bring peace and security to this region of the world.

Swiss Group's Statement on Nuclear Talks Cited

OW1410060494 *Pyongyang KCNA in English 0437 GMT 14 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 14 (KCNA)—The visiting delegation of the Swiss Committee for Supporting the Reunification of Korea headed by its Secretary General Martin Lotcher, in a statement of the committee on October 8 said that the United States must honestly participate in the DPRK-U.S. talks.

The statement says:

The United States is trying to bring socialist Korea to its knees with the imperialist policy of strength. The heroic Korean people who defeated the U.S. imperialists 40 years ago will not yield to the military pressure of the U.S. imperialists and successfully smash war provocations.

We strongly demand that the United States immediately stop its war moves against the DPRK and withdraw warships on the sea off Korea before it is too late.

The U.S. aggressive provocation will obstruct the progress made at recent DPRK-U.S. talks. This shows that the United States has no will to solve the matter through talks with the DPRK. Our delegation expresses warm solidarity with the Korean people and affirms that it will give all support to them.

The Korean people will successfully drive back the enemy's provocations under the determined leadership of comrade Kim Chong-il, the great supreme commander.

ROK Tries To 'Obstruct' North-U.S. Talks

*SK1410093694 Pyongyang Korean Central
Broadcasting Network in Korean 0800 GMT 14 Oct 94*

[FBIS Translated Text] Recently, the South Korean rulers have desperately tried to obstruct the development of the DPRK-U.S. talks and pursue a full-scale confrontation between the North and the South. Kim Yong-sam, who strongly expressed dissatisfaction with the U.S. Administration's negotiation attitude in an interview with THE NEW YORK TIMES a few days ago, complained again on 11 October in an interview with U.S. CNN television, begging the United States to slow down the pace of negotiations in the DPRK-U.S. talks.

The Kim Yong-sam clique has recently taken every opportunity to rave that the United States should not make compromises in negotiations with the North or be deceived by the North's nuclear card, and that it is the North who is pressed for time, and is crazily appealing that in the event the DPRK-U.S. talks break up, the Team Spirit joint military exercise should be resumed and UN sanctions be initiated.

This plainly shows that the puppet's reckless maneuvers, to break up by all means the DPRK-U.S. talks being held in Geneva and push the military situation on the Korean peninsula to the verge of war, have reached extremes.

Kim Yong-sam Remarks on U.S.-North Talks Noted

*SK1410144194 Pyongyang Korean Central
Broadcasting Network in Korean 1324 GMT 13 Oct 94*

[Interview with Paek Nam-chun, director of the Secretariat of the Committee for the Peaceful Reunification of

the Fatherland, by an unidentified reporter of the Korean Central News Agency on 13 October; place not given—recorded]

[FBIS Translated Text] [Reporter] How are you?

[Paek Nam-chun] How are you?

[Reporter] At a time when anti-North and anticommunist commotions have recently been perpetrated in South Korea, the traitor Kim Yong-sam personally has enumerated very vicious antinational outbursts that hinder DPRK-U.S. talks. I want to discuss this with you.

A while ago, the traitor Kim Yong-sam, in an interview with a reporter from THE NEW YORK TIMES, enumerated complaints about the Clinton Administration in connection with the DPRK-U.S. talks. This was unprecedented.

[Paek] As is already known, the traitor Kim Yong-sam, in an interview with THE NEW YORK TIMES, exposed his sinister intention to break up the DPRK-U.S. talks and harm us, his fellow countrymen; begged the United States to assume a strong position toward the North; and groundlessly criticized us.

That day, after saying that North Korea and the United States had been holding a marathon dialogue, he said that the United States had been excessively compromising and made too many concessions to the North. He even said the Clinton Administration was too foolish [chinachige orisoktanun].

Kim Yong-sam also tried to incite the United States to be tough with us and even enumerated very provocative remarks inciting us, while talking about UN sanctions or the resumption of the Team Spirit joint military exercise. This is an antinational rash remark designed to block progress in the DPRK-U.S. talks and harm and crush [apsal] the fellow countrymen. This clearly shows Kim Yong-sam is a betrayer of the nation, more vicious than outside forces, who has no compatriotic sense; a perpetual traitor never before seen in the East or West; and the most wicked enemy of reunification and the nation among the successive South Korean rulers.

[Reporter] That is right. Would you elaborate on why the traitor Kim Yong-sam is making such vicious remarks with regard to the DPRK-U.S. talks?

[Paek] The traitor Kim Yong-sam enumerated very provocative remarks this time. In this way, he proves that he does not want a solution to the nuclear problem on the Korean peninsula and opposes peace in the country and its peaceful reunification.

If good progress is made in the DPRK-U.S. talks and if, as a result, the North Korean nuclear problem on the Korean peninsula is solved, this will be beneficial to peace in our country and its peaceful reunification. However, out of an illusion to achieve reunification under a free democratic system, which may bring conflicts and war, the traitor Kim Yong-sam, as he openly

babbled all along, does not want a solution to the nuclear problem on the Korean peninsula. This is why he hindered the DPRK-U.S. talks.

I think the traitor Kim Yong-sam made various reckless remarks this time because they have been elbowed from the DPRK-U.S. talks, because their policy toward the North has repeatedly failed, and because their internal situation is unstable.

Kim Yong-sam said that the United States did not know us well and asked it to listen to what the ROK said about us because they have had talks with us on hundreds of occasions. This is a very mean and clumsy request by Kim Yong-sam, the so-called president. This shows they are in a miserable situation and are ignorant.

The Kim Yong-sam ring babbled about an international cooperation system and frantically tried to impose sanctions on us for many years. However, when the DPRK-U.S. talks began, it has become like a dog trying to chase a chicken that flew to the roof.

In recent days alone, to pour cold water over the DPRK-U.S. talks, they spread the rumors that the North had five nuclear shells, and were later denounced worldwide. They also took issue with our so-called human rights problem and lost face again. Frustrated, the South Korean rulers are frantically trying to harm us with help from the United States.

Moreover, their internal situation has now become very difficult. The conflicts inside the ruling Democratic Liberal Party of South Korea have been aggravated, and because of the repeated policy failures, Kim Yong-sam's popularity has plummeted to the bottom. In short, the Kim Yong-sam regime is isolated and rejected at home and abroad and faced with a very serious crisis.

The bastards [nomdurun] are very viciously maneuvering to block the DPRK-U.S. talks, while trying to find a way out from this crisis in aggravating tension in collusion with the U.S. military conservatives.

When the United States strongly reproached him for his remarks, the South Korean chief executive was so upset that he called his hireling to Chongwadae [presidential offices] to discuss countermeasures; explained his remarks to the U.S. ambassador to South Korea; and called an interview with the Cable News Network of the United States to explain the points of his remarks. Kim Yong-sam is now acting like a person who has lost his senses.

Because he has lost reason, having been pushed into a blind alley, he says he has no different view from that of the United States, even though he uttered complaints. Moreover, he says the North must clarify its past nuclear transparency, even though he says it has no nuclear weapons. He makes such contradictory remarks at random.

Kim Yong-sam even made antinational abusive remarks that it is the North, not the United States, that is anxious about the DPRK-U.S. talks.

If agreement is reached at the DPRK-U.S. talks at an early date and if, thus, the nuclear problem on the Korean peninsula is solved, and if peace is ensured, our nation will, no doubt, be freed from the constant danger of war, and a favorable phase will open in the way of reunification.

Therefore, if progress is made at the DPRK-U.S. talks at an early date, no harm will be done to our fellow countrymen, who are constantly suffering from the danger of war, as well as the national division. It is clear that if the DPRK-U.S. talks do not proceed smoothly, our nation will suffer more from the danger of war and the division.

If the division is perpetuated and if the danger of war is worsened, this will not be beneficial to our fellow countrymen of the North and South and for peace in the world. This will not be beneficial to the Americans, either. Nevertheless, he says that the North will be in a difficult situation if no progress is made in the talks and that the United States has no reason to make haste. This shows Kim Yong-sam, the so-called president, is an idiot [chonchi] who has no political sense and no political judgment. By so doing, he proves he has no national viewpoint and does not care about peace in the country and its peaceful reunification.

I want to add one more thing this time. Kim Yong-sam is a coarse person who is too talkative and careless and not worth talking to.

[Reporter] The traitor Kim Yong-sam babbles about UN sanctions and the resumption of the Team Spirit joint military exercise and loudly raves that the United States must assume a strong attitude toward us. What do you think of this?

[Paek] Any strong measure against us is not beneficial to South Korea, either. If any strong measure is taken against us, the situation will be aggravated to the brink of war, and, then, a fuse to a new war may be ignited in our country.

If a war breaks out in our country, a small country, this will bring formidable [omchongnam] consequences to both the North and South.

Nevertheless, the traitor Kim Yong-sam himself negates dialogue and peaceful reunification, deliberately aggravates tension, and, thus, brings the situation in the country to the very dangerous brink of war. This will only cause a great worry to all fellow countrymen.

We think people from all walks of life in South Korea must become more vigilant and must not pardon the words and deeds of the traitor Kim Yong-sam.

If such a national betrayer as the traitor Kim Yong-sam is left intact, South Korean people will be harmed, and

all fellow countrymen will not be able to escape from catastrophes. Therefore, we think it will be the best choice for peace in the country and its peaceful reunification for the South Korean people and young people and students to remove the traitor Kim Yong-sam from power at the earliest possible date.

We will never remain a spectator to the crime by the traitor Kim Yong-sam but strictly settle accounts with him and make him pay dearly.

[Reporter] Thank you very much.

'Grave Military Provocations' in DMZ Reported

OW1410055494 Pyongyang KCNA in English 0431 GMT 14 Oct 94

[FBIS Transcribed Text] Pyongyang, October 14 (KCNA)—The South Korean puppets committed grave military provocations against the North, introducing heavy weapons in the demilitarized zone on October 11 and 12, according to military sources.

The puppets introduced 90 mm recoilless guns and 12.7 mm large-calibre machine guns into the MP posts in the demilitarized zone south of Komsa-ri, Cholwon county, Kangwon Province, and 90 mm recoilless guns into the DMZ east of Panmunjom. They threatened the safety of our soldiers, taking shooting posture for a long time.

Heavily-armed bandits of the puppet army were suddenly deployed in the DMZ south of Kwijon-ri, Jangphung county, Kaesong Municipality and Jawon-ri, Phyonggang county, Kangwon Province, ran wild in war frenzy, wielding machine guns and automatic rifles towards our side.

A total of 790 armed bandits and 200 vehicles of different types were illegally brought into the DMZ by the South Korean puppets in this period.

Proposal of Founding Confederal State Lauded

SK1410070594 Pyongyang Korean Central Broadcasting Network in Korean 0700 GMT 10 Oct 94

[Unattributed talk: "The Proposal To Found a Confederal State Is the Best Way To Realize the Reunification of the Fatherland at an Early Date"]

[FBIS Translated Text] In the historic report made during the Sixth Congress of the Workers' Party of Korea on 10 October 1980, the great leader Comrade Kim Il-song presented a proposal to found the Democratic Confederal Republic of Koryo, a confederal method of reunification based on one nation, one country, two systems, and two governments.

The great leader Comrade Kim Il-song taught: Our party proposes to reunify the country by founding a confederal republic based on mutual respect between the North and South by which the two recognize and accept each other's current ideologies and systems, and to establish a

government of national reunification jointly participated in by the North and South; under this government, the North and South lead their respective local governments, sharing the same privileges and responsibilities.

The proposal to found the Democratic Confederal Republic of Koryo presented by the great leader Comrade Kim Il-song is the quickest way to resolve the issue of reunifying the country. First, under the condition that different ideologies and systems practically exist in the North and South, the program is the most just and most practical national reunification method that leads to the correct road of independently [chajujoguro] and peacefully resolving the reunification issue under the principle that one side does not swallow [mokkona] the other or is swallowed [mokhiuji] itself. It is in conformity with the common demand and interests of the nation, and can be achieved by the might of unity of the entire nation.

Based on his profound analysis of the essentials of fatherland reunification, the historical experience of reunification movements, and the demands of the current situation, the great leader Comrade Kim Il-song drew up and announced the great charter of national unity, the 10-Point Program of the Great Unity of the Entire Nation for the Reunification of the Country. He enlightened the road to unify the entire nation as a pannational reunified country that can represent all members of the nation from every party, every faction, and every stratum while maintaining intact the current two systems and two governments in the North and South, and enlightened the road to reunify the country by founding a confederal state in which the two local governments of the North and South participate equally.

The proposal to found a confederal state elucidated by the great leader Comrade Kim Il-song starts at the point that two different systems and two governments can exist within one national country. Our people in the North and South have lived under different ideologies and systems for a long time, but national commonness is the same in the past or present. Therefore, based on a national commonness that has ceaselessly continued throughout history, the two systems can easily coexist within one nation and one reunified country.

The proposal to found a confederal state is a reunification method based on national ideology, placing first precedence on the nation rather than the system. It is the most practical and reasonable reunification method with which the North and South can achieve national reunification, even under the condition that two conflicting systems exist.

Reunifying the country through the confederal method based on one nation, one country, two systems, and two governments is a primary principle of reunification in accordance with the current situation of our country. Only by implementing the primary principle can the North and South end the division of the country, reconcile and unite as one nation, and peacefully reunify the country in the quickest manner.

The proposal to found a confederal state presented by the great leader Comrade Kim Il-song is the most fair and practical method that can be accepted by both the North and South. It is broadly supported not only by all Korean people, but also by the world's progressive people. This is evidenced by the fact that South Koreans of all walks of life are vigorously struggling to realize the proposal, saying the proposal to found a confederal state is a light tower that brightly enlightens the future of the fatherland's reunification, and that movements of support and solidarity for this proposal are actively being carried out in many countries throughout the world.

Truly, the method of founding a confederal state is a chuche-oriented program for the fatherland's reunification that can be put forth only by the great leader Comrade Kim Il-song, who exerted efforts without sleep or rest to embrace our people with the gift of the fatherland's reunification, and who wisely led our nation's reunification movement from the first day the country was divided.

Those who do not welcome reunification through the confederal method based on one nation, one state, two systems, and two governments are less than a handful of splittists at home and abroad. It is a fact that two different systems and governments exist in the North and South, and calling for reunification according to one system under the condition that neither side will make concessions is impractical, and ultimately it maintains the division endlessly. This means they do not want reunification.

Moreover, the South Korean authorities are dazzled by the reunification method through absorbing other countries. Trying to realize such a method in our country by borrowing outside forces is a foolish fantasy and reemergence of the already insolvent maneuver to achieve reunification by a victory over communism.

If the South Korean authorities are truly interested in the country's reunification, they must not dream of achieving reunification by a victory over communism, which cannot be achieved at any time, but must accept our practical reunification method via the confederal system.

Reunifying the fatherland by putting an end to almost half a century's history of division and confrontation is the nation's consistent demand and will. The entire nation must unite to achieve the fatherland's independent and peaceful reunification. All fellow countrymen in the North, South, and overseas who worry about the nation's fate and who earnestly desire the fatherland's reunification must highly uphold the 10-Point Program of Great National Unity, which is the common milestone of the nation for the fatherland's reunification, and must thoroughly implement it to vigorously launch a struggle to create a pannational reunified state—a confederal state—which can represent all members of the nation, including each party, each faction, and people from all walks of life. Thus, work must be hastened to carry out reunification in the 1990's.

Great national unity is a fundamental cornerstone and guarantee to overcome the prevailing difficulties and to achieve the nation's reunification and prosperity. All Koreans in the North, South, and overseas must vigorously launch the pannational cause to realize the 10-Point Program of Great National Unity so they can make unique contributions for the prosperity of the country's reunification and for a reunified fatherland. Thus, they must put an end to the history of division and confrontation, and show the world the sagacious and proud appearance of a reunified nation.

Reunification Official Denounces Kim Yong-sam

*OW1410061894 Pyongyang KCNA in English 0440
GMT 14 October 94*

[FBIS Transcribed Text] Pyongyang, October 14 (KCNA)—Paek Nam-chun, director of the Secretariat of the Committee for the Peaceful Reunification of the Fatherland, answering questions of a KCNA reporter on Thursday [13 October] said that we will never remain an onlooker to the crimes of the traitor Kim Yong-sam but will strictly settle account with him and make him pay dearly for it.

The traitor Kim Yong-sam blared anti-national outbursts laying obstacle to the DPRK-U.S. talks in his recent interview with THE NEW YORK TIMES. Paek Nam-jun told KCNA that at the interview the traitor spun out extremely provocative outcries getting on our nerves, saying that the United States should take a "tough countermove" toward the north and talking about "U.N. sanctions," resumption of the "Team Spirit" joint military exercises and the like.

Paek Nam-chun said:

This clearly shows Kim Yong-sam is the most malignant enemy of reunification and the nation among the successive South Korean rulers.

Asked about the ulterior purpose and background of the traitor Kim Yong-sam's vicious acts concerning the DPRK-U.S. talks, Paek said that with his extremely provocative blast this time Kim Yong-sam revealed of his own accord that he does not want a solution to the nuclear problem on the Korean peninsula and that he opposes peace of the country and its peaceful reunification.

Paek continued:

As for the background of Kim Yong-sam's words devoid of reason, his group is elbowed from the DPRK-U.S. talks, its "policy toward north" suffers repeated failures and its internal situation is uneasy. So, his group is viciously acting to block the talks, seeking the way out of this crisis in heightening the tension in collusion with the U.S. military conservative forces.

As the U.S. strongly called him to account for his balderdash, he was so upset that he summoned hirelings to "Chongwadae" to seek a measure and explained the

purport of his words to the U.S. ambassador to South Korea and in an interview with the U.S. CNN.

He had gone the length of spinning out extremely anti-national remarks that "it is the North, not the United States, that is anxious about the talks between them".

If the talks make a quick progress, it will be beneficial to our fellow countrymen who are exposed to the danger of war in addition to their sufferings from national division. Otherwise, the danger of war and the sufferings [passage indistinct] peaceful reunification.

As for the traitor Kim Yong-sam's talk about "UN sanctions" and resumption of the "Team Spirit" joint military exercise, and the necessity of a "strong U.S. position" toward the DPRK, Paek said:

If any "tough step" is taken against us, the situation will be aggravated and be brought to the brink of war and it may cause the outbreak of a new war in our country. If war breaks out in our small country, it would entail big losses to the North and the South.

The traitor Kim Yong-sam, however, is bringing the situation of the country to the brink of war by negating dialogue and peaceful reunification and deliberately keying up the tensions. This arouses deep apprehension from the whole nation.

We think that the South Korean people of all walks of life must heighten vigilance and must never pardon the reckless words of the traitor Kim Yong-sam.

Japanese Policy Toward North Called 'Hostile'

*SK1410113794 Pyongyang KCNA in English 1017
GMT 14 Oct 94*

["We Will Not Be Frightened by Hostile Policy of Japanese Authorities"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 14 (KCNA)—The Japanese authorities recently cried for "a concerted reaction" of Japan, the United States and South Korea over the "nuclear issue" of the Democratic People's Republic of Korea and blared that the normalization of diplomatic relations between the DPRK and Japan was impossible pending the solution of the nuclear issue.

Commenting on this, an analyst of NODONG SINMUN today says:

This tells that the Japanese authorities are invariably pursuing a hostile policy toward the DPRK over the "nuclear issue".

Japan has no justification to say this and that about the nuclear issue of the Korean peninsula. The nuclear issue arose when the United States deployed nuclear weapons in South Korea and presented a nuclear threat to the DPRK. Accordingly, the DPRK and the United States are the parties responsible for its solution.

Nevertheless, the Japanese authorities are vociferating about "a concerted reaction" over the "nuclear issue" of the DPRK. This reveals their intention to block the solution to the nuclear issue in conspiracy with the United States and South Korea and hasten their own nuclear arming. In their hectic pursuance of a hostile policy toward the DPRK, Japan is committing the mean act of dancing to the tune of the South Korean puppets. This is a shame to Japan which dreams of becoming a political power.

Ridiculous is the argument that the normalisation of diplomatic relations between the DPRK and Japan is impossible unless the nuclear issue is solved. Needless to say that the core of the normalisation of diplomatic relations between the two countries is Japan's atonement for her past crimes.

Japan came up across the opposition of many countries when it eyed a permanent seat of the United Nations Security Council with the stain of an "enemy state" remaining on her name for her failure to atone for her crimes in the past war of aggression. It is outrageous of such Japan to regard the normalisation of diplomatic relations as a "gift" to someone.

Whether the DPRK-Japan relations are improved or not does not matter to us. We have got on and will [words indistinct] improving relations with Japan. We are not in a hurry.

We are not willing to sit at a negotiating table with Japan before the Japanese authorities abandon their hostile policy toward the DPRK. This is our unshakable stand. No hostile policy will frighten us or stop the process of the solution of the nuclear issue.

PRC Youth League Delegation Arrives 13 Oct

*OW1410054594 Pyongyang KCNA in English 0416
GMT 14 October 94*

[FBIS Transcribed Text] Pyongyang, October 13 (KCNA)—A delegation of the Jilin City Committee of the Communist Youth League of China headed by its Secretary Zhang Lihui arrived here today by train.

Visits Statue of Kim Il-song

*OW1410060694 Pyongyang KCNA in English 0434
GMT 14 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 14 (KCNA)—The visiting delegation of the Jilin City Committee of the Communist Youth League of China headed by its Secretary Zhang Lihui, called at the statue of the Great Leader President Kim Il-song on Mansu hill in Pyongyang and laid bunches of flowers before it and observed a moment's silence on October 13.

Zhang Lihui said the youth and children in Jilin city are feeling very sad at the death of the Great President Kim

Il-song. He said although the president passed away, the feats he performed for the Sino-Korean friendship will be immortal.

He expressed the belief that the Korean people under the wise leadership of Dear Comrade Kim Chong-il will achieve greater success in socialist construction.

Gathering Marks Anniversary of Ties With Russia

*OW1410054894 Pyongyang KCNA in English 0417
GMT 14 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 13 (KCNA)—A friendship gathering took place Wednesday [12 October] at the Russian Embassy here on the 46th anniversary of the establishment of diplomatic relations between the DPRK and Russia.

Vice-Minister of Foreign Affairs Ni In-kyu and other officials concerned were present on invitation.

Present there were Charge d'Affaires ad Interim P.I. Yakovlev and officials of the Russian Embassy.

Speeches were exchanged there.

Vice President Yi Chong-ok Meets Cambodian Envoy

*OW1410053394 Pyongyang KCNA in English 0413
GMT 14 October 94*

[FBIS Transcribed Text] Pyongyang, October 13 (KCNA)—Vice-President Yi Chong-ok met and had a talk with Cambodian Ambassador to Korea Oum Man-norine at the Mansudae Assembly Hall today when the latter paid a courtesy call on him.

Iran's Envoy Meets Vice President Kim Yong-chu

*OW1410054494 Pyongyang KCNA in English 0415
GMT 14 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 13 (KCNA)—Vice-President Kim Yong-chu and Chairman of the Supreme People's Assembly of the Democratic People's Republic of Korea Yang Hyong-sop respectively met and conversed with Iranian Ambassador to Korea Seyyed Morteza Mirheydari, who paid courtesy calls on them, at the Mansudae Assembly Hall today.

Yugoslav Ambassador Presents Credentials to Yi

*SK1410130494 Pyongyang Korean Central
Broadcasting Network in Korean 1100 GMT 14 Oct 94*

[FBIS Translated Text] Ljubomir Ojukic, the new ambassador extraordinary and plenipotentiary of the Federal Republic of Yugoslavia to our country, on 14 October presented credentials to Vice President Yi Chong-ok at Mansudae Assembly Hall.

Vice Foreign Minister Yi In-kyu was present.

After receiving the credentials, the vice president held talks with the ambassador.

Meets With Foreign Minister Kim

*SK1310232594 Pyongyang KCNA in English 1520
GMT 13 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 13 (KCNA)—Kim Yong-nam, vice premier and foreign minister, today met and had a talk with Yugoslav Ambassador to Korea Ljubomir Ojukic, who paid a courtesy call on him.

Italian Party Delegation Returns Home 12 Oct

*SK1410042594 Pyongyang Korean Central
Broadcasting Network in Korean 1100 GMT 12 Oct 94*

[FBIS Translated Text] The Italian Communist Re-Establishment Party functionary delegation led by Bruno Carchedi, member of the leadership of the Lombardia Regional Committee of the Italian Communist Re-Establishment Party, returned home on 12 October by plane.

(Pak Pyong-son), deputy director of a department of the Workers Party of Korea Central Committee, bid the delegation farewell at the airport.

Kang Song-san Speaks at Tangun Tomb Dedication

*SK1210131494 Pyongyang Korean Central
Broadcasting Network in Korean 0714 GMT 12 Oct 94*

[Speech by Kang Song-san, premier of the DPRK State Administration Council, at the ceremony marking the completion of the reconstruction project of King Tangun's tomb, held in Kangdong County in Pyongyang on 11 October—recorded]

[FBIS Translated Text] Comrades: Today, at this historic time when all people in the country are waging a vigorous struggle to implement the teachings of the respected and beloved leader left to us under the wise leadership of the dear leader Comrade Kim Chong-il, and when all people in the country are turning the great sorrow of parting from the nation's great father into a thousand-fold strength and courage, we are holding a ceremony to mark the completion of the reconstruction project of Tangun tomb, amid the great concern of 70 million fellow countrymen.

Here at the foot of Mt. (Paegak), where the sacred trace of the great leader's leadership is warmly engraved, we see Tangun tomb, which grandly rises with the spirit of the powerful state of ancient Korea in the east and with boundless adoration and gratitude to the fatherly leader who discovered the nation's founding father and eternal history.

Tangun tomb, which magnificently rises today as a monumental creation, is the precious fruition of the

noble will and wise leadership of the respected and beloved leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il, who both wish to add luster to our nation's eternal history and homogeneity.

The fatherly leader, the peerless patriot and great man of all times, and our great leader [widaehan yongdoja] Comrade Kim Chong-il, discovered Tangun, whose existence as the founding father of the nation was passed on as myth during the thousands of years of history. They built Tangun tomb in the best manner befitting a tomb of the nation's founding father.

Korean compatriots at home and abroad are pleased at and warmly congratulate, with pride to the entire world, the national festive event of restoring Tangun as the founding father of our nation as well as his magnificently reconstructed tomb.

The great leader Comrade Kim Il-song taught: We must magnificently build Tangun tomb like a tomb for the founding father of the country.

Incalculably great and warm is the pain and benevolence which the fatherly leader and dear comrade leader exercised to find our nation's 5,000-year history and magnificently build Tangun tomb without the slightest shortcomings.

Right from the days when he led us through the fiery sea of the bloody anti-Japanese war, the great leader said that the Korean people are a wise unitary nation with a 5,000-year history, and that the Korean revolutionaries must know Korean history and geography well, thus implanting the warm seed of patriotism and love for the nation in the hearts of the anti-Japanese guerrillas and broad masses of people.

When the national anthem was established following liberation, the great leader saw to it the words of the national anthem contained the national pride of our 5,000-year history. In party and state important meetings, as well as in his teachings and historic work, he stressed the eternity of our national history and the excellent spiritual traits of the Korean nation.

The fatherly leader corrected the many events and facts in our national history that had been distorted by a wrong outlook on history, and gave to historians the honorable task of deepening the study of Tangun. While keeping himself busy leading the revolution and construction, he spared his precious time to study and offer programmatic teachings on a number of occasions.

In the past, historians, unable to completely overcome the harmful effects of a flunkeyist outlook on history, viewed Tangun as a myth. Although they were aware of existence of Tangun tomb in Kangdong, they dared not excavate it.

When the fatherly leader, with far-sighted wisdom and extraordinary insight, gave his historic teaching on excavating Tangun tomb, only then did our scholars undertake to excavate the founding father's tomb, which had

not been an object of interest for a long time. They at last attained the great scientific result of finding the remains and relics of Tangun. This was a marvelous discovery and great festive event of the nation, which was made possible by the great leadership. [applause]

The fatherly leader [oboi suryong] said with satisfaction that the discovery of Tangun is a great victory for our archaeology, and held the hands of the historians and led them to systemize the history of ancient Korea in a chuche manner under the condition that Tangun was proven to have existed. Then, despite his old age in the 80's, he personally visited Kangdong and selected a propitious site for the Tangun tomb's reconstruction at the foot of Mt. (Paegak); personally presented a magnificent design for building the founder's tomb as the largest stone temple of the highest quality; and offered as many as 47 programmatic teachings lest there should be anything unsatisfactory in the tomb's construction.

Though busy guiding a consultative meeting of leading economic and technology functionaries on 6 July, two days before he passed away, the fatherly leader examined the final prototype of Tangun tomb and earnestly offered a teaching to accelerate its construction so all fellow countrymen in the South and overseas could see the tomb. Indeed, the fatherly leader devoted his endlessly ardent and sacred efforts and dedication of love toward the country and the nation to elucidate the 5,000-year national history and build an excellent Tangun tomb, doing so right up until the last moment when his great heart stopped beating.

It has been proven that Tangun did exist and that he was the founder of our nation, and thus Tangun tomb was built as a national treasure in a short time. Here ardently lies the energetic guidance and careful attention of the dear leader of our party and people, Comrade Kim Chong-il. Dear leader Comrade Chong-il, who solved numerous problems arising in straightening out our national history in the chuche view of history, and who is the master of ideological theory, sufficiently fulfilled all the conditions required by archaeology and research, and based on modern science and technology, to completely ensure that Tangun was a real man born 5,000 years ago.

To encourage the lofty idea of the respected and beloved leader to flawlessly and excellently build Tangun tomb in a short time, the dear comrade leader personally gave strength to Tangun tomb's reconstruction by forming the Tangun Tomb Reconstruction Committee; provided enormous amounts of funds, material, and efforts for its construction; and made it a national policy to give first priority to guaranteeing everything required for the tomb's construction.

The dear comrade leader's energetic guidance in the Tangun tomb construction ceaselessly continued even during the time when the entire country was in deep sorrow over losing the fatherly leader, living through most grievous days. While spending his days and nights

in a sorrow beyond words, the dear comrade leader held our hands and led us to turn the heartbreaking grief of our fighters and people into strength and courage, and effected a great upsurge in socialist construction. He also encouraged and led us to thoroughly implement the teachings left us by the fatherly leader, and complete Tangun tomb on the highest level as soon as possible.

He then had ministries and committees vigorously guarantee the building materials required for Tangun tomb's construction, and took concrete measures to provide material and spiritual support to the Tangun tomb construction site and stone mines. According to the teachings of the fatherly leader made during his lifetime, he had pictures of Tangun drawn and placed on Tangun Temples in (Sungnyong County) in Pyongyang, on Mt. Myohyang, and on Mt. Kuwol; he also gave detailed guidance to arranging historic sites related to Tangun as touring sites for working people.

Our dear leader Comrade Kim Chong-il took into consideration the consistent minds of the entire nation and rendered great benevolence in erecting a monument via the reconstruction of Tangun tomb, a monument in which the immortal achievements of the fatherly leader and our party will be remembered for ages to come at Tangun tomb.

Truly, the respected and beloved leader and dear comrade leader found the correct (?origin) of the history of our nation. They are the great embodiments of loving the country and people, two men who elucidated Pyongyang as the holy place of the nation; in both name and reality, they elucidated our fatherland into a 5,000-year historical country. They are outstanding figures embodying in their bodies our nation's spirit and energy. [applause]

The fatherly leader Generalissimo Kim Il-song and our great leader [widaehan yongdoja] General Kim Chong-il found the nation's origin in Tangun tomb, which was buried amid the (?storm) of history and filled with suffering. They completely reconstructed the facilities, making it possible for the everlasting history of the fatherland to proudly convey the nation's sagaciousness for generation after generation. Their immortal achievements will be brilliantly engraved in our nation's history, thus being eternally elucidated forever. [applause]

The nation's father Generalissimo Kim Il-song and our great leader [widaehan yongdoja] General Kim Chong-il exerted great efforts and benevolence in magnificently establishing Tangun tomb, which elucidated the Korean nation's eternity and unitariness as well as the nation's holy place, as a national asset that will be conveyed for generation after generation. All participants here and all 70 million people give the greatest honor and warmest thanks to those filled with boundless admiration and loyalty. [applause]

Comrades: During the past year, with blazing loyalty and high patriotism toward the party and leader, the

builders, workers, sculptors, and transport fighters created brilliant feats of labor and miracles in constructing the tomb.

The builders manifested a resolute enthusiasm for labor, demolished the mountain peak with a huge blast, handled the 300,000 cubic meters of soil, processed 70,000 [word indistinct]; the sculptures that are [words indistinct] were magnificently set up and [words indistinct] successfully finished.

The sculptors manifested high creative talents and devoted efforts, and completed in the shortest time various enormous and elaborate sculptures, including the reconstructed monument.

The workers of the stone mine carried out vigorous labor struggles, supplying a large amount of natural stone, processed stone, and building stone; the transport fighters made efforts to supply a large amount of construction materials to be hauled to the construction site without difficulties.

Party class organizations throughout the country, including the Kangdong County party committee, are highly upholding the great leader's 6 July teaching, and are carrying out organizational work to implement it so that assistance in constructing Tangun tomb is vigorously carried out.

In particular, the builders of Tangun tomb, despite the shocking sad news of the passing of the fatherly leader, waged a vigorous labor struggle with sheer desire to implement the respected and beloved leader's instructions and teachings and to uphold our great leader Comrade Kim Chong-il even better with wholehearted loyalty and dutifulness. They attained the daily target two-fold and three-fold, thus creating a miracle in meeting the target date for the project's completion.

By authority, I warmly congratulate the builders, workers, sculptors, and historians who greatly contributed in terms of labor, technology, and academic approaches to building Tangun tomb within the short period of less than one year, which will now be passed on to posterity. [applause]

We should make more strenuous efforts to fulfill the chuche revolutionary cause pioneered by the great leader under the slogan of faith "Let us more thoroughly arm ourselves with the revolutionary idea of the great leader Comrade Kim Il-song," and should more firmly solidify the wholehearted unity of the leader, the party, and the masses under the wise leadership of the dear leader of our party and our people Comrade Kim Chong-il.

Keeping up with the patriotic enthusiasm and militant spirit displayed in building Tangun tomb, we should create new miracles in the struggle to implement the party's revolutionary economic strategy. We should preserve and manage well Tangun tomb, in which dwells the noble patriotic and nation-loving will of the respected and beloved leader Comrade Kim Il-song and the dear

leader Comrade Kim Chong-il, and should actively explain and propagandize the work with our working people, overseas compatriots, and foreign friends on the immortal achievements of the party and the leader that added luster to our national history, on the justness of our party's policy of preserving historical remains, on the eternity and unitariness of our nation, and on the national sacred place so that we may actively contribute to the work of publicizing the greatness of the party and the leader and of enhancing our people's national pride.

We should achieve the great unity of all the 70 million fellow countrymen under the banner of the three principles of national reunification and the 10-point program of the great unity of the whole nation, bearing deep in our hearts the statesmanship of the noble and profound will and sublime patriotism of the respected and beloved leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il—who discovered the nation's founding father and the 5,000-year national history, and who magnificently reconstructed Tangun tomb and who will achieve without fail in the nineties the sacred work of national reunification that the fatherly leader wished to realize so much in his lifetime. [applause]

Foreign Media Cite Kim Chong-il's 'Famous Works'

OW1410045894 Pyongyang KCNA in English 0423 GMT 14 October 94

[FBIS Transcribed Text] Pyongyang, October 14 (KCNA)—Foreign news media reported famous works of the Dear Leader Comrade Kim Chong-il.

The Nepalese paper GORKHAPATRA [as received] carried his work "our socialism centered on the masses shall not perish" with his portrait.

The paper in the preface said:

Comrade Kim Chong-il in the work gives a scientific exposition of the secret of the fact that socialism is making a long drive in Korea under the circumstances when socialism sustained setbacks in some countries in recent years.

He has strengthened and developed the Workers' Party of Korea to be a mightier party, leading it for 30 years.

Comrade Kim Chong-il authored many works that serve as a noble ideological and theoretical basis in strengthening and developing the party.

Reading his works, people can get a good knowledge of his rich experiences and brilliant and outstanding leadership in party building.

The Egyptian paper AL SIYASSI [as received] carried his work "on the Chuche idea", the Malian paper LE MALIEN [as received] his work "the Workers' Party of Korea organises and guides all the victories of our

people," and Radio Nacional of Peru introduced his work "On the Fundamentals of Revolutionary Party Building."

Servicemen's Society Holds Memorial Service

OW1410051094 Pyongyang KCNA in English 0426 GMT 14 October 94

[FBIS Transcribed Text] Pyongyang, October 14 (KCNA)—Members of the Patriotic Servicemen's Society of the 21st Division of the Third Army Corps of the puppet army held a memorial service on the night of September 20 expressing condolences on the death of President Kim Il-song at a time when the yearning for the Great Leader President Kim Il-song and reverence for the Dear Leader Comrade Kim Chong-il are growing deeper among soldiers of the puppet army, according to Radio Voice of National Salvation from Seoul.

After the service, a soldier surnamed Choe said:

"The death of respected President Kim Il-song, father of the nation, is the biggest pain to the nation.

"Respected President Kim Il-song, a great man of the century who performed the greatest feats in the 20th century, will be immortal in the hearts of humankind with the history of the sun.

"We must change today's sorrow into strength and will to reunify the country in the 90s at any cost and acclaim the Dear Leader Kim Chong-il, another outstanding leader, on the rostrum of reunification."

A soldier surnamed Kang said:

"On this harvest moon day, my yearning for president Kim Il-song is growing deeper.

"The patriotic road of our soldiers is only one, that is, to follow the Dear Leader Kim Chong-il, a brilliant general.

"Led by General Kim Chong-il, ever-victorious and brilliant hero, I feel reassured about the future of a unified country and national reunification will be achieved without fail. Let us all uphold unrivalled brilliant commander General Kim Chong-il, the great leader of the Tangun (Korean) nation, as the commander-in-chief of the united national army of a unified country by realizing the reunification in the 90s, true to the behests of respected president Kim Il-song."

South Korea

Reportage on Geneva DPRK-US Talks Continues

13 Oct Talks Said 'To No Avail'

SK1410014194 Seoul YONHAP in English 0136 GMT 14 Oct 94

[FBIS Transcribed Text] Geneva, Oct. 13 (YONHAP)—Amid signs that the U.S.-North Korea nuclear talks are coming to an end, working officials met for about 11

hours in Geneva on Thursday to seek a final accord, but to no avail. The working-level officials were to meet again Friday.

The meeting, reportedly attended by six delegates from each side, started at 10:10 AM Thursday at the U.S. Mission in Geneva and ended at 9 PM. What was discussed at the meeting is not known.

Following the talks, the two sides said in a press statement and over the telephone that the working-level officials would sit down again at 10 AM Friday at the U.S. Mission in Geneva.

Thursday's meeting followed a day of negotiations on "arranging documents basic to a written agreement" by means of exchanging positions through telephone contacts and written messages. These negotiations replaced a working-level officials' meeting originally scheduled for Wednesday that was cancelled.

In the meantime, diplomatic sources in Washington and Seoul said the United States and North Korea are nearing a general agreement and are working out its text.

As to special inspections of two undeclared North Korean nuclear facilities, the sources said, negotiators are close to agreeing to carry them out when work on a light-water reactor is 65 to 75 percent completed. This would give the North a moratorium of five years or so before the special inspections.

In tackling the type of light-water reactor to be provided to North Korea in return for the dismantling of its graphite-moderated units, the two sides are reportedly eyeing an agreement under which "the South Korean type" would not be specified. However, the North would tacitly approve South Korea's playing a leading role in the construction of a light-water reactor.

Regarding the disposition of 8,000 spent fuel rods taken from the North's 5-megawatt Yongbyon reactor, negotiators have agreed to keep them under dry storage in the North for a certain period and then to determine the next step later, the sources said.

Pyongyang has conceded to sealing off and eventually getting rid of its radiochemical laboratory, a nuclear reprocessing facility, the sources said.

None of these reputed details of the agreement, however, have been confirmed officially.

The sources said the United States plans to conclude the Geneva nuclear talks by Friday.

Poll: Citizens Discontented

SK1310133094 Seoul CHOSON ILBO in Korean
13 Oct 94 p 1

[Report by correspondent Yi Chun]

[FBIS Translated Text] A survey shows seven out of 10 citizens are discontent with the U.S. attitude toward

negotiations with North Korea on the North's nuclear issue. Six to seven out of 10 citizens oppose or expressed a negative position toward "whether to aid in North Korea's construction of a light-water reactor before nuclear transparency is guaranteed," or toward the "prospects for North Korea's giving up its development of nuclear weapons." On the whole, a conspicuously conservative attitude toward North Korea's nuclear issue is presented.

These results came from a poll conducted by CHOSON ILBO and Gallup Korea in a telephone survey of 504 adult males and females across the country on 11 October. According to the result, 68.2 percent of the respondents expressed their discontent with the U.S. negotiating attitude, while 17.6 percent were in the "I don't know" category, and 14.2 percent of them were in the "I am contented" category. More men (77.6 percent) than women (59.1 percent), responded that they were discontent. The higher their academic background, the stronger was the discontentment the respondents expressed (84.1 percent of those attending college or university, or who had a higher academic background, expressed "discontent").

A total of 73 percent of the respondents were in the "negative" category as to the question "Do you think North Korea will really give up its nuclear development?" In particular, the age group in their 20's (82.3 percent) and the student group (80.9 percent) were very negative toward the prospects of solving North Korea's nuclear issue.

A total of 64.7 percent of the respondents expressed opposition to the question "Do you think we should aid in North Korea's construction of a light-water reactor before its nuclear transparency is guaranteed by International Atomic Energy Agency inspections?" A somewhat high percentage of respondents (31 percent), however, were of the opinion that the ROK Government should accept if the United States agrees to "aid in North Korea's construction of a light-water reactor" in the process of the U.S.- North Korean negotiations; 52.8 percent of the respondents expressed opposition. This is interpreted as reflecting our perception that there is a limit to seeing our will carried through in the solution of North Korea's nuclear issue. A high percentage of respondents showed a critical attitude toward the prospects for U.S.-North Korean negotiations: 47.7 percent of respondents were in the "I don't think the negotiations will proceed smoothly" category, while 39.7 percent of respondents were in the "the negotiations will proceed smoothly" category.

The majority concurred with the necessity to impose sanctions against North Korea in time of need: 56.5 percent of respondents expressed consent to the question "Do you think it inevitable to impose UN-initiated economic sanctions and resume Team Spirit exercises in case the negotiations do not proceed smoothly?" For this survey, we polled 248 males and 256 females across the

country—except for Cheju Island—who were 20 or older, using telephones in a region-by-region random sampling method based on telephone directories. The sampling error was plus/minus 4.4 percentage points.

U.S. Compromise Plan Viewed

SK1310123994 Seoul SEOUL SINMUN in Korean
13 Oct 94 p 2

[Article by reporter Yu Min: "Problems in the U.S. Compromise Plan for the Solution of the North's Nuclear Issue"]

[FBIS Translated Text] It has been learned that the compromise plan, of which the United States is said to have notified our government, contains "comprehensive" ways for conducting negotiations with North Korea, and includes what was disclosed in past inspections of North Korea's nuclear activities and when those inspections were conducted.

It seems this plan enumerates details as to the questions that are supposed to be settled on a step-by-step basis, such as the question of how and when to aid in North Korea's construction of a light-water reactor; the opening of liaison offices in the North and the United States; the resumption of South-North dialogue; the dismantlement of their graphite-moderated reactor; and the support for alternative energy sources. In this connection, one government official has said: "The United States and North Korea have already agreed to some items in the compromise plan, while at the same time have also tensely confronted each other as to other items."

At the moment, aside from the North-U.S. negotiations, the ROK and the United States are concentrating their efforts on removing their differences in opinion as to this compromise. Communication through a "hot-line" telephone system has been endlessly conducted between those at the Ministry of Foreign Affairs and those in Geneva. Telephonic and telegraphic communications have been incessantly exchanged between the security officers at Chongwadae [presidential offices] and the White House. All this can be construed as part of their efforts to remove the differences in their respective views. U.S. Ambassador to South Korea Laney visits the Ministry of Foreign Affairs from time to time; his visits are aimed at conveying the ROK's position on the "compromise plan" to his home country.

What the ROK feels most uncomfortable about in regard to the compromise plan is the question of conducting special inspections to "secure the transparency of North Korea's past nuclear activities." It has been learned: In this compromise plan, the United States is trying to sound out our government's position by letting us know its own idea that "we shall conduct inspections of North Korea's past nuclear activities with a view to delving into those activities, but the inspections shall be conducted

before we aid in North Korea's construction of a light-water reactor." The problem here is that the United States does not mention any specific time for the inspections, merely stating: "before the equipment and material for constructing a light-water reactor arrives in North Korea." If any specific time is not mentioned, this may allow North Korea to interpret the time for the aid in constructing a light-water reactor as arbitrarily as it pleases. Previously as regards inspections, North Korea has adhered to its position that the time for inspections shall be upon completion of the No. 1 light-water reactor, or before the completion of the reactor. The United States and North Korea have continued to be faced with a stalemate because of this question. The government is displeased with the fact that the United States has been implementing a strategy of trying to get North Korea to compromise, while not mentioning any specific time for such inspections.

Although such a position by our government has been conveyed to the United States through various diplomatic channels, the United States seems to be pushing ahead with its own compromise plan.

The second problem is the question of disposing of the spent nuclear fuel rods, which serve as a clue to whether North Korea has extracted plutonium. Originally, the ROK and the United States laid out a principle that North Korea's past nuclear activities shall be delved into once the spent fuel rods are disposed of. This notwithstanding, as there has been no progress in the talks because North Korea has continued to stress the need to store the spent fuel rods in dried status in its own territory, the United States has been proposing transferring the spent fuel rods to a third country at the time of the completion of the first light-water reactor. In this way, the United States has been giving our government the impression "the United States is making haste" while ignoring the principle agreed upon between the ROK and the United States. Some government officials are even expressing criticism, saying the United States has been focusing on freezing North Korea's present and future nuclear activities rather than on its past nuclear activities, and has been trying to tolerate "North Korea's possession of one or two nuclear bombs," which would prove fatal to us in terms of the South-North dialogue and national unification.

In this compromise plan, the United States is trying to settle the South-North Korean question on the basis of the principle that "the South-North dialogue should be pushed in tandem with the improvement of relations between the North and the United States," while not presenting any specific time for the resumption of the South-North dialogue. On this, one official at the Ministry of Foreign Affairs has said: "The South-North dialogue is not a precondition to 'the establishment of liaison offices in Pyongyang and Washington.' It is a problem, however, if 'a guarantee' for the transparency of North Korea's nuclear activities has been given carelessly."

U.S.-DPRK Agree on 'Principle'

SK1410133994 Seoul KBS-1 Television Network in Korean 1220 GMT 14 Oct 94

[FBIS Translated Text] The United States and North Korea, which are continuing high-level talks in Geneva, have reached an agreement on the principle for solving the North Korean nuclear problem, and they have begun to examine the final agreement document.

It has been learned that the timing of the special inspection is being delayed for about 3 to 5 years and the central role of the ROK is being guaranteed for the issue of light-water reactor. The agreement document is expected to be announced late tonight, at the latest. Correspondent Yi Myong-ku reports from Geneva.

[Begin Yi recording] The U.S.-DPRK working-level delegates are continuing to review a draft agreement prepared by the U.S. side at the U.S. mission in Geneva during the past two days.

Holding a marathon conference for 11 hours, from yesterday afternoon until early this morning, the two sides discussed the details of the agreement. However, as there were some points of dispute, the preparation of the agreement document has been delayed. It is likely that the agreement will be announced late tonight or tomorrow morning Korean time.

It is observed that the contents of the agreement learned up to this point shows that the United States made a great concession to North Korea in return for its keeping the principle for freezing its nuclear program.

As for special inspection, by retreating from the ROK-U.S. agreement that special inspections should be conducted before the construction of light-water reactor, the U.S. side designated the point of arrival of core parts of light-water reactor as the time of special inspections, thus delaying them for 3 to 5 years.

As for the disposal of used fuel rods, they will be stored in sealed concrete, and the issue of when they will be transported to a third country will be discussed later.

On the other hand, North Korea tacitly agreed that the ROK may play the central role in the light-water reactor issue, provided that it is guaranteed by the United States.

As for the radiochemical laboratory, they agreed in principle that it will be closed in compliance with the freezing of the nuclear program, and will be ultimately abolished together with the graphite-moderated reactor.

It has also been learned that the agreement also stipulates that the two sides will establish liaison offices in Washington and Pyongyang within six months, and that North Korea will make sincere efforts for North-South dialogue.

The fact that the current agreement reconfirmed the freezing of North Korean nuclear activities, the resumption of North-South dialogue, and approval of a ROK-model light-water reactor can be appraised as an achievement.

However, we are under the impression that the United States made concessions regarding the sequence order and timing of the special inspections while North Korea only did what it was supposed to do based on the principle of freezing its nuclear activities. [pukhanun haek tonggyolui wonchiksang haeya hal irul han panmyon] [end recording]

Kim Yong-sam: Deal 'Matter of Time'

OW1410141494 Tokyo KYODO in English 1354 GMT 14 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 14 KYODO—South Korean President Kim Yong-sam expressed confidence Friday [14 October] that the United States and North Korea will eventually strike a deal over the nuclear issue and it is the matter of time, a Japanese politician said.

"I think reaching a solution is a question of time. I am aware of the prospects, but I would like to refrain from making a comment," concerning the content of the agreement, Kim told visiting Takashi Yonezawa, leader of Japan's opposition Democratic Socialist Party (DSP).

On the other hand, he said, Pyongyang clearly wants ongoing nuclear talks with the U.S. in Geneva to succeed to ease domestic, political and economic constraints.

Seoul hopes that U.S. negotiators, in line with their original aim to terminate the North's nuclear program, will make no concessions concerning military nuclear capability, Kim said.

Washington and Seoul will "under no circumstances" make autonomous decisions, he said, adding that the U.S. has not deviated from its pledge to reflect South Korea's stance in the negotiations.

Kim also said he is sure that Kim Chong-il, son and heir apparent of the late North Korean leader President Kim Il-song, will become the leader "since there is nobody else to replace him."

Meanwhile, working-level nuclear talks in Geneva were continued Friday to hammer out details of the anticipated agreement.

A North Korean delegation member said the negotiators were fighting their "final battle" over the document, indicating that a breakthrough is near.

South Korean press reports said earlier Friday that the U.S. in its latest proposal agreed that Pyongyang must accept special inspections of two suspect nuclear facilities by the time the main equipment to construct a light-water reactor has been delivered to the North.

In another concession, Washington said it would accept relocation of some 8,000 spent nuclear fuel rods taken in May from an experimental reactor at Yongbyon to a third country after temporary dry storage in North Korea, the reports said.

South Korean Foreign Minister Han Sung-chu was quoted as saying that a deal was imminent since Pyongyang understands that it must allow special nuclear inspections before the core part of the reactor construction begins.

Han on Talks, Succession Link

SK1410135194 Seoul KBS-1 Television Network in Korean 1214 GMT 14 Oct 94

[FBIS Translated Text] In a meeting with a group of reporters today, ROK Foreign Minister Han Sung-chu said North Korea is likely to use the result of the recent U.S.-North Korea talks as a big propaganda tool and a sumptuous prop for the staging of Kim Chong-il's succession to the presidency. He added that this may have been one of the reasons Kim Chong-il's power succession was delayed.

Position on Agreement Analyzed

SK1410135894 Seoul KBS-1 Television Network in Korean 1212 GMT 14 Oct 94

[FBIS Translated Text] Reporter Kim Chun-sok analyzes the ROK Government's position [on the U.S.-DPRK Geneva talks]:

[Begin Kim recording] Deputy Prime Minister Yi Hong-ku's remarks that the ROK will accept the result of the U.S.-North Korea talks seem to convey the government's assessment that even if the agreement between the United States and North Korea is somehow unsatisfactory, the ROK's opinion has been sufficiently reflected. The government hopes that the freezing of North Korea's nuclear development could create an atmosphere for denuclearizing the Korean peninsula, provide a breakthrough for the resumption of North-South dialogue, and settle peace on the Korean peninsula.

The ROK position is that the agreement on the light-water reactor issue is also acceptable because, even if the ROK-type is not specified, the forming of a consortium by the United States actually means that the ROK will have the core role. However, the timing of special inspections is expected to be far from what had been agreed between the ROK and the United States. Although the government expected this difference, the government's position is that it does not mean North Korea is gaining time for nuclear development because measures ensuring freezing of North Korea's nuclear activities until its nuclear transparency is assured, including the close down of the radiochemical laboratory, are expected to be included in the agreement.

The government will closely examine the agreement as soon as it receives the notification of negotiation results from the United States, and work out follow-up measures, including the support for the construction of light-water reactors and the resumption of North-South dialogue. [end recording]

U.S., DPRK 'Near' Agreement

SK1410011294 Seoul KBS-1 Radio Network in Korean 2300 GMT 13 Oct 94

[FBIS Translated Text] [Announcer Yim Tok-su] It seems that the U.S.-DPRK high-level talks being held in Geneva to resolve the North Korean nuclear issue are near settlement. Both sides are currently working on drafting the agreed upon matters into a document. We will talk to correspondent Yi Myong-ku in Geneva. Will the statement of agreement come out today?

[Yi Myong-ku] If there is a settlement, the statement of agreement may come out late today at the earliest, or tomorrow. The United States and North Korea started to hold working-level talks yesterday afternoon and reconfirmed the matters agreed upon between the two sides and are now working on drafting it into a document. The working-level talks continued for 11 hours until 0500, Korean time [2000 GMT]. Both sides will again hold working-level talks this afternoon to apply the finishing touches. After this, the chief delegates will talk or hold a general meeting to promote the agreed upon matters, report to each other's countries, and then announce it.

[Yim] The focus of interest up until now has been on the content of the agreement. Has the content of the agreed statement been revealed? If so, what does it say?

[Yi] The content of the agreed statement has not been revealed. It is not being announced because negotiations are in progress. However, in reviewing the situation overall, it appears that the United States has shown flexibility in the length of time in which North Korea is to freeze its nuclear weapons, thus leading North Korea to come to an agreement.

In the case of special inspections [tukpyol sachal], the United States called for special inspections before the start of construction for the light-water reactor. This agrees with our country's position. However, North Korea has said that it cannot recognize this. Therefore, both sides compromised so that the deadline for special inspections is to coincide with the arrival of core equipment and supplies for light-water reactor, and North Korea agreed to accept special inspection, while the United States agreed to grant a five-year grace period.

Regarding the problem of handling the spent fuel rods, the United States has argued that it must be immediately transported to a third country for reprocessing, while North Korea claimed that it must be stored in concrete in North Korea. It was learned they agreed that the spent fuel rods will be sealed up inside concrete, and that the United States made the concession of postponing discussion of the issue of transportation to a third country.

Last month, North Korea had promised to give up the radioactive chemical laboratory. The United States called for its permanent closure. This was fulfilled this time. We can say that North Korea made concessions on this point.

Regarding the issue of the light-water reactor which has been of great interest, when reaching an agreement last month, North Korea said that it would accept the type guaranteed by the United States, thus agreeing to the ROK-type in actuality. Since then, it had strongly rejected the ROK-type on several occasions including at last month's expert working-level talks. Now, North Korea has once again conceded on the ROK's central role along the lines of the agreement made in August, thus considerably softening its attitude on the ROK-type light-water reactor.

[Yim] The talks were held for a considerable amount of time. How are the talks being assessed over there?

[Yi] The United States adhered to the principle of having North Korea freeze its nuclear weapons in the talks, but the assessment is that the United States has made many concessions. The United States is in a position of bringing about visible results in the North Korean nuclear issue before next month's mid-term elections. The United States, which is running out of time, made more concessions than agreed upon with our government. In particular, assisting North Korea with light-water reactors without even conducting special inspections which are to reveal whether North Korea has produced atomic bombs, is viewed as an act of slighting our government and people.

On the other hand, it is being explained that according to matters agreed upon in August, North Korea only confirmed what it has to do to freeze its nuclear weapons. Therefore, the transparency issue is likely to resurface in the negotiations.

U.S. 'Last-Minute Coordination'

SK1410011794 Seoul YONHAP in English 0058 GMT
14 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 14 (YONHAP)—South Korean Foreign Minister Han Sung-chu called U.S. Secretary of State Warren Christopher Thursday [13 October] for last-minute coordination on the final U.S.-North Korea nuclear agreement in Geneva, the Foreign Ministry said Friday.

The two officials went over the contents of the accord and agreed to adhere to the principles their countries established for resolving the North Korean nuclear crisis, Ministry Spokesman Chang Ki-ho said.

They emphasized close Seoul-Washington coordination throughout the negotiating process, he said.

Han contacted Christopher in Israel, Chang noted.

The Geneva agreement is said to be more concessionary to North Korea than Seoul had wanted. South Korean President Kim Yong-sam and other officials have criticized U.S. softness and urged Washington to stiffen its position.

Conditions for Accepting Accord

SK1410031394 Seoul YONHAP in English 0307 GMT
14 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 14 (YONHAP)—Deputy Premier and National Unification Minister Yi Hong-ku, saying that the United States and North Korea appear ready to reach an agreement in Geneva over the weekend, said Friday the government will accept the talks' results provided they meet the overall principles for resolving the dispute over Pyongyang's nuclear program.

Yi also hinted at allowing South and North Korean economic cooperation on a gradual basis, saying that "the government will take gradual steps for inter-Korean economic cooperation if an agreement is reached at the Geneva talks."

He made the remarks to the National Assembly Foreign Affairs- Unification Committee during parliamentary inspection of the National Unification Board.

"There is an opinion gap on practical and detailed parts over the nuclear issue between Seoul and Washington," he said. "But there is no difference on overall principles."

Yi listed five basic principles for solving the North Korean nuclear problem, including blocking Pyongyang from developing nuclear weapons and preventing a recurrence of the Korean War.

The other principles cited by Yi call for eventual settlement of the nuclear issue by South and North Korean authorities, a guarantee of the North's past, present and future nuclear transparency, and a leading role for Seoul in the construction of a light-water reactor in the North.

Yi added that the government, however, "will closely study a written agreement if adopted in the Geneva nuclear talks," making it clear that the accord should reflect the cited five principles.

Details of U.S. Draft Agreement

SK1410024294 Seoul YONHAP in English 0234 GMT
14 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 14 (YONHAP)—The United States and North Korea are having a last-minute debate on when to resume the stalled inter-Korean dialogue, amid reports they are close to an agreement on major issues involving Pyongyang's disputed nuclear program at high-level talks in Geneva.

The U.S.-presented draft agreement, confirmed by YONHAP news agency Friday, calls on North Korea to guarantee its past nuclear transparency coinciding with the arrival of core equipment for a light-water nuclear reactor.

The draft agreement also envisions the establishment of liaison offices in each other's capital within six months,

with North Korea returning to the nuclear non-proliferation treaty (NPT) before the end of that period.

Under the draft accord, the American Government is required to provide assistance for the light-water reactor project through an international consortium; spent fuel rods taken from the North's 5-megawatt reactor should be kept in dry storage and transferred to third countries after the No. 1 unit of the nuclear reactor project is completed; and alternative energy must be supplied to the North beginning next year in return for the abandonment of its graphite-moderated nuclear reactors.

However, the two sides remain at odds over how to resume the stalled South-North dialogue.

The American draft calls for a resumption within three months of the agreement's announcement, with talks on implementing the joint declaration on denuclearization of the Korean peninsula.

For its part, Pyongyang is said to insist that inter-Korean dialogue is a matter that should be left to the parties concerned.

Earlier, Washington reportedly gave Seoul prior notice of the draft agreement and was asked to advance the timetable for Pyongyang's guarantee of its past nuclear activities and the resumption of inter-Korean dialogue.

South Korea's request has apparently been included in the draft accord and was later presented to the North Korean delegation in Geneva.

A government official said he was told North Korea has accepted most of the U.S.-proposed agreement as Washington made a major concession from its initial stand. He said agreement has still not been reached on some issues including when to resume South-North dialogue.

In connection with special inspections of the North's nuclear facilities, the U.S.-drafted accord does not elucidate the term special inspections and instead asks Pyongyang to guarantee its past nuclear transparency. "As a result of their compromise," the official continued, "there may be an agreement that North Korea should completely abide by the nuclear inspections of the International Atomic Energy Agency (IAEA)."

As to the timetable for inter-Korean dialogue, a compromise could be reached before the establishment of liaison offices "within three months of the announcement of the agreement."

"In any case, both issues—liaison offices and inter-Korean dialogue—are closely related to each other," he said. Referring to the type of light-water nuclear reactor, he explained that they are in virtual agreement on a South Korean model.

The official indicated that North Korea would have to guarantee the transparency of its past nuclear activities

in two to three years, saying it would take that long for core elements of light-water equipment to arrive at Yongbyon.

Han: Nuclear Agreement 'Imminent'

*SK1410050294 Seoul YONHAP in English 0456 GMT
14 Oct 94*

[FBIS Transcribed Text] Seoul, Oct. 14 (YONHAP)—A North Korea-U.S. nuclear agreement is imminent with the communist regime conceding to a central role for South Korea in a proposed reactor construction project and answering to its suspicious nuclear past, Foreign Minister Han Sung-chu said Friday.

Speaking before an advisory board on peaceful unification, Han said North Korea has displayed flexibility in Geneva during the past few days of negotiations, which are likely to conclude between Friday and Saturday.

The government is preparing follow-up measures to the agreement, he said.

Pyongyang has in essence accepted Seoul's central role in building light-water reactors and apparently understands it must allow special nuclear inspections before the core part of construction begins, according to the foreign minister.

The last-minute negotiations concern when Pyongyang will resume inter-Korean dialogue, how this should be tied to a North Korean-U.S. exchange of liaison offices, the timing of special inspections and the phases of the reactor project.

The foreign minister added that North Korea's recent flexibility is apparently related to the transfer of power to Kim Chong-il, son and heir-apparent of the late President Kim Il-sung.

Concern About Public Reaction

*SK1410072694 Seoul YONHAP in English 0713 GMT
14 Oct 94*

[FBIS Transcribed Text] Seoul, Oct. 14 (YONHAP)—As the North Korea-U.S. nuclear negotiations in Geneva head toward a likely settlement, the government appears concerned about the public's reaction.

A settlement is expected after a U.S. concession on North Korea guaranteeing its past nuclear transparency, a far cry from the early Seoul-Washington agreement on this key issue. As a result, the government may come under fire for failing to press the United States sufficiently to implement the agreement in its entirety.

In fact, the government is still pushing Washington to reflect Seoul's stance fully in last-minute negotiations with Pyongyang in Geneva, while preparing for possible public criticism of its role in the nuclear talks.

Deputy Premier and National Unification Minister Yi Hong-ku, briefed by Foreign Minister Han Sung-chu on

the progress in Geneva from time to time, is racking his brains to cope with the direction the negotiations are heading.

On Thursday evening, Yi met informally with security-related ministers to check where the North Korea-U.S. nuclear talks are going and discuss steps to be taken when a conclusion is reached.

The National Unification Board is worried about becoming a target of public criticism over the government's North Korea policy as the agreement in Geneva, which the board expects to emerge shortly, may seem in citizens' eyes to be a product of too many concessions by the U.S. side.

To convince the public that the government is not a total outsider at the Geneva talks, the board must have the United States include the resumption of inter-Korean dialogue in the impending agreement.

A board official says, "I understand North Korea and the United States have nearly reached agreement on almost all issues, except for that of inter-Korean dialogue and a few others, in Geneva.

"The draft agreement the United States prepared in consultation with us calls for the resumption of inter-Korean dialogue within three months after the agreement is announced. The final agreement must clarify this issue, no matter what happens."

The Foreign Ministry considers that the U.S.-drafted agreement is generally in line with the accord reached earlier between Seoul and Washington, though it shows extensive U.S. flexibility with respect to Pyongyang's stance.

Keeping to the agreed principle of specifying a timetable for special UN inspections of Pyongyang's past nuclear activities, the draft sets the arrival in North Korea of key equipment for light-water reactor construction as the stage for such inspections, giving the North the maximum grace period permissible after the light-water project commences.

The government, in an effort to reflect as many of its requirements as possible in the final agreement during the final negotiations in Geneva, is utilizing all available diplomatic channels with Washington.

For instance, Foreign Minister Han called U.S. Secretary of State Warren Christopher in Israel Thursday evening to press for the requirements. Christopher is now touring the Middle East.

Foreign Ministry Spokesman Chang Ki-ho says Seoul and Washington have agreed to adhere to the agreed principles and objectives in the Geneva talks.

As for the U.S. move to settle the inter-Korean dialogue issue by urging Pyongyang to resume such dialogue simultaneously with improvement in North Korea-U.S. relations: Instead of specifying the date for resuming the

dialogue in the final deal with Pyongyang, Seoul is pressing Washington to honor the principle of dialogue resuming within three months after striking the final deal.

The resumption of inter-Korean dialogue is not a precondition for the exchange of liaison offices between Pyongyang and Washington, but the government wants the final accord to specify the date for resuming the dialogue because the agreement calling for North Korea's guarantee of its nuclear transparency is inevitably linked to the joint South-North declaration on a nuclear-free Korean peninsula. To implement the declaration, South and North Korea must sit down and meet.

Chongwadae [presidential offices] is also busy preparing for public criticism of the government's role in the Geneva talks, awaiting complaints about President Kim Yong-sam if the North Korea-U.S. nuclear agreement fails to meet public expectations.

In an apparent attempt to avert such criticism, President Kim complained about the way Washington is dealing with Pyongyang in a recent interview with THE NEW YORK TIMES.

But as the Geneva talks are entering the home stretch, Chongwadae officials are keeping mum on their progress and prospects.

An official says, "There had been little progress in the negotiations until Wednesday, but it appears the negotiations are heading for settlement Friday as they held a marathon 10-hour meeting Thursday. We don't know anything about the specifics of the negotiations' progress because we haven't received any reports from Geneva.

"We understand they had a long meeting on the last important issue but don't know about its result." He thus suggests that the final negotiations concern such key issues as South Korea's aid for North Korea's light-water reactor project and linking an exchange of liaison offices between Pyongyang and Washington to the resumption of inter-Korean dialogue.

Japan Reportedly Supports U.S.

SK1410104794 Seoul YONHAP in English 1036 GMT
14 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 14 (YONHAP)—Japanese Foreign Minister Yohei Kono said on Friday his government supports the United States' position toward the U.S.-North Korea high-level talks said to be nearing a conclusion.

Kono, who is also the Japanese deputy prime minister, told a press conference following a cabinet session, "We express respect to the United States for the sincere and persistent efforts" it has made in talks with North Korea.

"What is most important is for South Korea and Japan to support the negotiations," he said.

Reports indicate that the U.S.-North Korea high-level talks in Geneva over the North Korean nuclear question are likely to arrive at a settlement on Friday local time.

North Preparing To Open U.S. 'Liaison Office'

SK1410022294 Seoul CHOSON ILBO in Korean 14 Oct 94 p 1

[Report by Chon Hae-yong from Washington]

[FBIS Translated Text] It has been learned that North Korea has begun preparations to open a liaison office in Washington.

According to a source in Washington, three North Korean agents are currently working at the North Korean Mission to the United Nations in New York to prepare for the opening of the liaison office in Washington under "tacit approval [mugin]" of the United States. The source added that these agents are also engaged in operations to infiltrate the society of Koreans living in the United States, by organizing the formation of a pro-North group after the establishment of the liaison office.

DPRK Reportedly To Announce Open-Door Policy

SK1410075094 Seoul YONHAP in English 0728 GMT 14 Oct 94

[FBIS Transcribed Text] Hiroshima, Japan, Oct. 14 (YONHAP)—North Korea is poised to announce Kim Chong-il's assumption of the state presidency and a full open-door policy soon after the 100-day mourning period for his late father ends Saturday, a high-level sports official from Pyongyang said here Friday.

North Korean Judo Association Executive Director Hyon Chang-kwi told YONHAP news agency at the Hiroshima Terminal Hotel that everything will return to normalcy with Kim's inauguration after the 100-day mourning period.

"The government has instructed us not to engage in overseas activities in principle within the 100 days after the death of our father and leader (Kim Il-song)," he explained.

Hyon, who previously lived in Japan, is said to have traveled between North Korea and Japan and is well acquainted with Kim Chong-il.

"We didn't come to Hiroshima for the Asian Games as we abide by such government instructions," he said.

He also complained about the Japanese demand that North Korean athletes obtain entry visas as well as intentional mistreatment of Koreans living in Japan. "Such Japanese acts also played a role in North Korea's absence from the Asian Games."

A graduate of Japan's Tokai University, a school renowned for Judo, Hyon is the sole international Judo judge that North Korea possesses.

As for Kim Chong-il's state of mind, he said "the dear leader" is very rational and open-minded and that South and North Korean dialogue will commence soon as North Koreans want openness.

ROK-Model Reactor Construction Details Viewed

SK1410100394 Seoul CHUNGANG ILBO in Korean 14 Oct 94 p 5

[Report by Yang Chae-chan: "If ROK-model Light-Water Reactor Is Built in North Korea"]

[FBIS Translated Text] Experts believe that, if an ROK-model light-water power station was to be built in North Korea, it could be built in seven to eight years, two or three fewer years than the ones required to build it in South Korea (10 years).

This is because the designs which were used for the construction of Yonggwang No.3 and No.4 and Ulchin No. 3 and No.4 nuclear power stations in the ROK, can be used in North Korea by making only a few changes and not having to make new designs. In addition, the time required for securing land for the power stations and for paying compensation to land owners, as in case of the ROK, would virtually not be necessary in North Korea. As a result, the overall period required for the construction could be reduced.

Just as for all construction projects, the basic designs for a nuclear power station should be worked out first. In other words, the design for the main instruments, such as a nuclear reactor and turbine, and for laying the pipe and installing electric appliances, not to mention the building, are necessary.

The full-scale construction of Yonggwang Nuclear Power Station No.3, built in Yonggwang, South Cholla Province as a ROK-model light-water reactor for the first time at home, began only in June 1989, four years after the basic designs for the site, capacity (1 million kilowatt), and the like, were completed. In other words, four years were spent working on the design of the main equipment and supplementary facilities, the selection of and contract with suppliers, and for the implementation of compensation for the land.

However, some of this procedure could be omitted in the event that the ROK-model light-water reactor was built in North Korea, and the time could be reduced. As for Yonggwang No.3, when the nuclear reactor and turbine were installed in late 1992—three years and six months after their civil engineering work began—75 percent of progress was shown in the overall project.

Judging from the example of the Yonggwang No.3, approximately 200 specialized men are necessary for the design of the nuclear reactor and nuclear fuel.

Since safety is particularly important in the case of a nuclear power station, the design should not be neglected after its completion, but specialized persons should closely follow it throughout the entire construction period.

For civil engineering, pipe laying, and construction of facilities, a great number of people—as many as 5,000—are required.

Experts emphasize that, needless to say, the land for the nuclear power station, sand and gravel required for its construction, and plain workers at the construction site, would be provided by North Korea. However, specialized men, reaching about 5 percent of the total, who would supervise and manage the plain workers, should be provided by the ROK side.

Embassies in Pyongyang Prepare Against Cholera

SK1410010994 Seoul YONHAP in English 0050 GMT
14 Oct 94

[FBIS Transcribed Text] Moscow, Oct. 14 (YONHAP)—Amid widespread rumors that cholera is raging across North Korea, foreign embassies in the capital have started taking preventive measures to protect their employees, ITAR-TASS reported in a dispatch from Pyongyang on Thursday [13 October].

According to the Russian news agency, the rumors have it that the highly contagious disease is rampant in the southwestern region ranging from Nampo to Haeju, with its virulence due to the current warm weather.

Some North Korean citizens have confirmed the spread of cholera but most completely deny it, the agency added.

According to sources, several regions in the southern part of the country have been isolated and travel there prohibited, ITAR-TASS said.

North Koreans working with foreigners who wanted to travel to Nampo Port near Pyongyang advised against it, citing the danger posed by cholera and explaining that the disease was transmitted from the eastern coast of China.

Meanwhile, the news agency said it had not heard about cholera spreading to the east coast of North Korea nor had it witnessed foreigners or North Koreans taken ill with the disease.

*** Effects of Deaths of North Officials Viewed**

942C0214A Seoul NAEWOE TONGSIN in Korean No
912, 4 Aug 94 pp B1-B4

[Unattributed article: "Possibility of 'Change' High in North Korea's Power Structure"]

[FBIS Translated Text] Seoul, NAEWOE—Deaths of leading figures in the North Korean power center have been reported successively.

Those who died since July alone include Chu To-il, a member of the party Military Affairs Committee and of the National Defense Commission, one of the first-generation revolutionaries, who was promoted to vice marshal in April 1992; Kang Hui-won, a candidate member of the party Political Bureau and vice premier of the State Administration Council; and Cho Myong-son, an army general and vice minister of public security.

Their deaths, reported one after another, drew attention in that they could lead to a major shake-up of the power structure.

Thus, Kim Chong-il, who succeeded Kim Il-song, can appoint "his men" to major posts of the party, the government, and the military without having to face serious friction with elders.

Altogether, nine VIPs died in North Korea this year.

They are, besides the above-mentioned Chu To-il, Kang Hui-won, and Cho Myong-son: Pak Su-tong, deputy of the Supreme People's Assembly [SPA] and former chairman of the Agricultural Workers Union, who died on 25 May; Kwon Min-chun, candidate member of the party Central Committee and a deputy department director of the party, who died on 16 May; Yi Tong-chun, army general, member of the party Central Committee and SPA deputy, who died on 8 May; Ko Ki-chun, former secretary general of the Central Committee of the Christian League, who died on 30 March; Yi Tu-su, former deputy director of the General Escort Bureau for rear affairs, who died on 5 February, and Kim I-chang, army general, member of the party Central Committee and SPA deputy, who died on 3 January.

In the case of Ko Ki-chun of the Christian League, Pyongyang's propaganda media did not even carry an "obituary" notice. Then, two weeks later on 16 April, Pyongyang Radio made public his death by broadcasting a "note" written by Ko Ki-chun before his death. This drew public attention.

In the note, Ko Ki-chun wrote that he is "convinced that when the people uphold Kim Il-song and Kim Chong-il as 'Korea's God,' unification, the nation's long-cherished desire, will be realized."

Of the nine who died this year, five were military figures—Chu To-il, Kim I-chang, Cho Myong-son, Yi Tu-su, and Yi Tong-chun.

Especially, Chu To-il, Kim I-chang, and Cho Myong-son belonged to the group of first-generation revolutionaries in the military who participated in the anti-Japanese guerrilla activities and the Korean War. Their deaths are viewed as a great help to Kim Chong-il in securing his control of the military.

It is because all of them were known to have had personal connections with O Chin-u, the "godfather" of the North Korean military.

Deaths Likely To Favor Kim Chong-il

In other words, their deaths have weakened O Chin-u's "power" and instead expanded the sphere of influence of O Kuk-yol, known to be Kim Chong-il's proxy in the military.

Kang Hui-won's death also became the object of attention.

As a candidate member of the party Political Bureau and vice premier of the State Administration Council, he was a powerful figure to be reckoned with.

Kang Hui-won was known as Kim Il-song's "right-hand man" in the administrative and economic branches. He ranked 18th in the namelist of the Kim Il-song Funeral Committee announced on 9 July.

He died of a "prolonged illness" on 28 July and a state funeral was held on 30 July.

Vice Premier Hong Song-nam, in his memorial address at the funeral, said that "Kang Hui-won's loyalty to the party and the leader and his services for the fatherland and the revolution will shine forever."

A month has passed since the death of Kim Il-song but there are no signs of change in the North Korean power center—at least on the surface.

The rankings of officials as listed in the Funeral Committee list announced following Kim Il-song's death remained unchanged in subsequent events including the rally held in his memory.

Internally, however, it is very likely that there have been some changes, analysts say.

In addition to the successive deaths of Kim Il-song and other high officials, there must have been an inevitable impact from the reported defections to the South of persons who were close to key leaders.

Especially, the defection of Kang Myong-to, Premier Kang Song-san's son-in-law, drew public attention. For the present, however, Kang Song-san is reportedly "safe and sound."

Honorable Retirement of "Elders" Group Highly Possible

Kang Song-san paid homage to the late Kang Hui-won in the coffin on 29 July, expressing his condolence.

On the other hand, Kim Chol-su, who caught the public eye when he rose to the 23d spot in the Funeral Committee list, failed to show up in the Kim Il-song memorial rally held on 20 July, fueling curiosity.

Kim Chol-su was shrouded in mystery. Nothing is known about him except a vague assumption that he was Kim Il-song's "man behind the scenes."

Meanwhile, the "senior anti-Japanese revolutionaries" are viewed as a greatest factor for "change" in the North Korean power structure.

They are those who, with Kim Il-song, established the North Korean regime and who still maintain their grip on the nucleus of power.

Among them are Minister of People's Armed Forces O Chin-u, Chief of General Staff Choe Kwang, Minister of Public Security Paek Hak-nim, and Director of the General Escort Bureau Yi Ul-sol.

Considering their age and their career as "living witnesses" of the North Korean regime, it is presumed that the elders will be put to "honorable retirement" when the power structure is reorganized at Kim Chong-il's initiative.

In other words, it is highly possible that they will be deprived of real power and "set up" in figurehead posts like vice president. And in this process, it is thought that Kim Yong-chu will probably act as a mediator between Kim Chong-il and the "elders group."

Meanwhile, there have been signs of change in the party Secretariat already.

Concerning the rankings of Secretariat officials, some changes were observed between the time of the 21st plenum of the sixth party Central Committee held in December last year and the event marking "the 30th anniversary of the start of the party work" in June, which was led by Kim Chong-il, and between that and the Kim Il-song Funeral Committee list.

In the Funeral Committee list, Kim Ki-nam, 24th, is the highest among Secretariat personnel; before that, Kim Chung-nin ranked higher than Kim Ki-nam.

The difference in ranking between Kim Ki-nam and Kim Chung-nin is only three steps and, therefore, outwardly there seem to be no "problems." However, based on the fact that Kim Ki-nam is the head of the party Propaganda and Agitation Department and closest to Kim Chong-il, the promotion is viewed as reflecting the importance being attached to propaganda-agitation activities to strengthen Kim Chong-il's power base.

After all, while outwardly there have been no major changes as yet in the North Korean power structure since Kim Il-song's death, the possibility is high, observers point out, that in the inside, forces close to Kim Chong-il already have taken major posts in the party, the government, and the military.

*Crackdown on 'Unsocialist' Activities Backfires

942C0214B Seoul NAEWOE TONGSIN in Korean No 913, 11 Aug 94 pp E3-E5

[Unattributed article: "'Stamp-Out-Unsocialist-Activities Program' Terminated At the End of Last Year"]

[FBIS Translated Text] The "stamp-out-unsocialist-activities program," launched by Kim Chong-il's order on 1 October 1992 ostensibly to eradicate all elements harmful to socialism, was virtually terminated with the last summing-up of activities for the latter half of 1993, it has been learned.

According to the latest information received, deciding that its "stamp-out-unsocialist-activities groups" had achieved the expected results, the "final summing-up" of activities was conducted on a provincial basis to wrap up the program.

To do the final summing-up, the 15-member provincial "stamp-out-unsocialist-activities group" toured cities and counties of the respective province, assessing local achievements. As a result, the groups, listing their achievements, said that moonshining was wiped out to prevent wastes of food, that the number of delinquent youths, once on a continuous increase, shrank, and that black marketing and brokerage were suppressed. In other words, the program stamped out various irregularities that were rampant throughout society.

Among the reasons the groups were organized, separately from the existing agencies for the control and surveillance over residents such as the National Security Department, the Ministry of Public Security, and the Three Revolutions Teams, under instructions from Kim Chong-il, were: As economic hardships continued, social and economic irregularities increased, including false reporting of production or pilferage by workers, while a spiritual laxity was observed among residents in the wake of the collapse of the East European communist nations and the ROK-USSR and ROK-China normalization. Thus, the program was launched, ostensibly, to remove all such evil elements hindering the unity of the North Korean state and, by doing so, to "strengthen the wholehearted unity of the party, the military and the people."

Under such a pretext, North Korea organized the anti-unsocialist-activities groups in Pyongyang and all other cities and provinces by members selected from five organizations—the prosecutor's office, the Ministry of Public Security, party committees, the Socialist Working Youth League and the General Federation of Trade Unions. The groups were sent to factories, enterprises, and cooperative farms in their respective districts to expose illegal activities of residents and arouse their hostility against the South.

However, the program was virtually terminated after a little over a year. And it was because most of the group members were found committing more improprieties and irregularities than members of the traditional law enforcement agencies would do, betraying the original purposes of promoting "the unity of the state" and eliminating "the evil elements," it has been learned.

Group members, driven by a desire for good showings, would reportedly pick on residents for old cases, even as

old as 10 years, and arrest them, or assault offices, work places, and even private homes at any time of the night or day to check if residents were pilfering products or engaged in illegal transactions or using ROK-made goods, receiving various types of bribes in the process.

As a result, most people in North Korea were critical of the groups' activities. They complained that "Kim Chong-il merely made another organization dedicated to departmentalism" or that the groups "overlooked all sorts of wrongdoing by cadre-class people and picked on poor workers who had to break laws against their will just to put food on the table for the family." Thus came the decision to discontinue the program prematurely, it is said.

***Psychiatrist Evaluates Kim Chong-il**

942C0172A Seoul WOLGAN CHOSON in Korean Jul 94 pp 124-125

[By reporter Yi Chong-hun: "Kim Chong-il, Unlike Kim Il-song, Could Start War"—Psychiatrist Dr. Paek Sang-chang's Diagnosis]

[FBIS Translated Excerpt] Dr. Paek Sang-chang (60), psychiatrist and the author of the book *Psychoanalysis of Kim Il-song*, says "Kim Il-song's survival complex is so strong that he will not start a war." At the same time, however, he foresees that when something happens to Kim Il-song and Kim Chong-il takes over, there is the possibility of the latter provoking war." [passage omitted]

Dr Paek termed this psychology of Kim Il-song "solar phobia." In his analysis, he said Kim Il-song's unitary ideology has something to do with that phobia.

"The existence which Kim Il-song could not overcome all his life must have been the sun. He must have felt fears at the sun rising every morning. In this context, he must have unconsciously developed an identification urging him to 'be like the sun,' or that 'be a man like the sun, the most powerful existence.' Kim Il-song, whose real name is Kim Song-chu, first used the alias 'Kim Il-song' [one-star] meaning 'You be a star'; he later changed it to 'Kim Il-song' [sun-become] meaning 'You become the sun,' a good example showing his heliolatry. In Kim Chong-il's case, too, his name was first spelled 'Kim Chong-il' [right-one], which changed to the present 'Kim Chong-il' [right-sun], meaning 'You be the right sun,' after O Chin-u proposed—at the sixth congress of the Korean Workers Party in October 1980—that he be made the heir apparent to Kim Il-song.

Dr Paek observes that "Kim Chong-il is a very unfortunate person. In his case, as it was with Kim Il-song, his father (Kim Il-song) was too busy with his guerrilla activities and mostly away from home when he was a child, leaving him unable to overcome his Oedipus complex properly. Moreover, his mother, Kim Chong-suk, died when he was 7, leaving him with a maternal love deficiency complex."

"A man with this complex tends to develop a preference for older women. Kim Chong-il, in fact, shows this characteristic fondness. In his boyhood, Kim was under nannies' excessive pseudo-protection and, as a result, could not properly overcome a marry-mother complex. In addition, he very unfortunately developed a kill-father complex. One can see his maternal love deficiency complex in the fact that he keeps his stepmother Kim Song-ae and his half brother Kim Pyong-il in check."

According to Dr Paek, this maternal love deficiency shaped Kim's character of seeking an escape from reality. This is seen, specifically, in his abuses of alcohol and maniacal love for films. He is possessed by an inferiority complex toward his father and for his own chubby, 163-cm by 85-kg frame. Consequently, he consciously longs to do "something big," says Dr Paek.

"According to various sources, Kim seems to be showing symptoms of third degree alcoholism—restlessness and hand tremors when sober. When I listened to his recorded conversations with actress Choe Un-hui, I noticed that after drinking, he became faster in speech and more quick-witted, showing the so-called flight-of-fancy phenomenon as characterized by a leap of logic. He seems to be in manic-depressive psychosis, showing manic and depressive psychoses by turns."

Noting that "Kim is a 'dangerous person' who, in a state of advanced depression or alcoholism, could abruptly decide to do 'something big,'" Dr Paek predicts that "he could start a war when he takes over after Kim Il-song dies."

***Carter Visit to North Korea Assessed**

942C0172B Seoul CHOSON ILBO in Korean 21 Jun 94 p5

[Article by Yang Song-chol, Kyonghui University professor: "A 'Shock' Delivered by Carter"]

[FBIS Translated Text]

Five Surprises

Former President Carter visited Pyongyang via Seoul and Panmunjom. Returning here after two meetings with Kim Il-song, he held a press conference at the U.S. ambassador's official residence. Watching his press conference, I, as a scholar studying North Korea, could not help being surprised.

First surprise: He brought back Kim Il-song's message offering a summit and President Kim Yong-sam promptly accepted, suggesting that a preliminary contact be made at Panmunjom on 28 June. The whole story was a rehash and had nothing new in it. If it had any significance, it was that Carter, former U.S. president—although he emphasized that he had acted "in the capacity of a private citizen"—delivered the message. Although the message said it could be held "at any time and at any place and without any preconditions," a

summit requires careful and meticulous planning because such factors as the time and place, the preconditions and style bear great importance. From the standpoint of President Kim Yong-sam, especially, it is thought that the Carter-delivered message was a matter on which he could take time before making a decision rather than accommodating it so promptly as he did.

Second, Carter was the president who pushed the "human rights diplomacy" while in office. When a Korean reporter asked him if he had discussed human rights while in Pyongyang, reminding him that once he made it an issue with the Pak Chong-hui government, Carter replied that he vaguely hinted at it at a banquet but made no references to it during the meetings with Kim Il-song—and he was with him for a total of between 8 and 10 hours. If he has a policy on human rights, he needs to be consistent with it and, therefore, should have taken up the issue with Kim Il-song seriously, at least once.

Third, Carter made such an easy appraisal of Kim Il-song's character. Unhesitatingly he said: Kim was "charismatic and intellectual and well versed in various complex issues." I was surprised to see him so unhesitatingly and conclusively appraising a person whom he met for the first time and only for so many hours; that he did so on Kim Il-song, the ringleader in the nuclear issue that has plunged the world into one of the worst crises, particularly surprised me.

Easy-Going Evaluation of Kim Il-song

Fourth, despite his explanations denying it, it is a fact that Carter's careless remarks caused confusion over a U.S.-draft three-stage sanctions plan currently under consideration at the UN Security Council. One may of course take a favorable view of the Carter visit to Pyongyang under the doctrine of security strategy that it is in the interest of preventing an inadvertent war to deliberately create "confusion" rather than driving the other side into a corner, and to keep the door of dialogue open rather than holding exclusively to confrontation. And it is highly possible that the U.S. Government approved of the visit as a way to keep the door of dialogue open for North Korea and to appease the American people, particularly the "doves."

Fifth, assuming that North Korea ingeniously employs diplomacy based on the two-prong strategy of confrontation and dialogue, or peace and war, it can be said that Carter was used by North Korea in another strategic shifting from confrontation to dialogue, and that whether they knew it or not, Carter and the United States, which arranged for the visit, must have concluded prior to the visit that strategically, the North's move for dialogue is worth responding to with dialogue.

Watching the political stir created by the Carter visit to North Korea and the message he brought back on a North-South summit, I felt a few things. Since there are no quick, clear-cut solutions to problems concerning

North Korea, including the nuclear issue, so long as the leadership of Kim Il-song and his son, Kim Chong-il, continues, it is imperative that we do nothing hasty, but remain relaxed mentally and, on that basis, make prudent policy and strategic responses. It helps us in no way that we respond to North Korea's wily, "professional" strategic, tactical moves in an "amateurish" style and call "Check" or "Mate" and be now glad, now sad.

Need for Vigilance against the North's Stratagem

It seems that basically, there are two reasons behind North Korea's abrupt shifting from its strategy of extreme, brinkmanship confrontation to a smile strategy, even borrowing Carter's unique smile to that end.

The first reason is its attempt to avert a UN Security Council resolution on sanctions before everything else. The other reason is its effort to drive a wedge between the United States and the ROK through its direct dialogue with Washington excluding Seoul. It is noteworthy that a memorandum of the Ministry of Foreign Affairs published in NODONG SINMUN dated 20 April already suggested these two stratagems. At any rate, I sincerely hope that Carter will not be taken in by Kim Il-song's mesmerism. As Carter himself stressed repeatedly, only when Kim Il-song's "words" are translated into "deeds" will his North Korea visit be appreciated accordingly.

***Kim Tae-chung's Broad Intelligence Network**

942C0172C Seoul IRYO SINMUN in Korean 26 Jun 94
p5

[By reporter Kim Si-kwan: "Kim Tae-chung and His Intelligence Network—What's behind the Clairvoyance He Showed Time and Again on How To Resolve the Nuclear Issue"]

[Text] In connection with North Korea problems, the stock of Kim Tae-chung, currently board chairman of the Asia and Pacific Foundation [APF], is hitting the ceiling everyday these days. It is because he has shown ways and means to solve problems concerning North-South relations and the nuclear issue and they all became realities.

Among them was his suggestion for a North-South summit. Also, as a way to resolve the nuclear issue, he, already in May, proposed a visit to North Korea by Carter. Coincidentally, what he said has come true. Carter visited North Korea and now a North-South summit is likely to materialize.

Earlier, he proposed a "package deal" and the U.S. Government took a favorable view of it as feasible although the ROK Government was against it. Later, however, the ROK Government also accepted his plan, labeling it as a "broad-ranged, comprehensive compromise plan."

What is behind his proposals dealing with North Korea? What is the source of his intelligence and insight in this area?

Kim Tae-chung is known to have studied the unification issue untiringly for more than 20 years. As far as the unification issue is concerned, he is regarded as one of the few top-notch experts. Politicians explain that this is one of the reasons he is so much ahead of other people in know-how about North Korea.

APF officials do not deny it. His information and knowledge accumulated over 20-odd years are remarkably extensive, they say. According to them, a few wise words he utters whenever North-South relations get strained are all based on that stockpile. For the same reason, solutions he suggests are largely received as realistic.

That is not all. Behind all this is an uninterrupted flow of information and data reaching him from all countries. Those basic materials constantly build his stockpile of knowledge. Three facsimile lines in his APF office feed him various materials daily, of which information on North Korea takes the largest part, they say.

All such materials are received through diverse routes, including journals published overseas, research institutes, experts, and journalists. Especially, his "cooperators" in all parts of the world—with whom he became friends in the 20-odd years he has spent as politician and researcher of the unification issue—are helping him a great deal, they say. A typical example is former President Carter.

The relationship between him and Carter dates back to the 1980 "Spring of Seoul." At the time, Kim Tae-chung was charged with plotting an insurgency and sentenced to death by the new military authorities. It was Carter who came to his rescue, calling the charge a fabrication and demanding his immediate release.

Kim Tae-chung cherishes the friendship thus formed. In particular, they exchanged their views over the North Korean nuclear issue in October last year. They already discussed a Carter visit to North Korea at that meeting.

It was also at that meeting that Kim Tae-chung stressed the need for a package settlement on the North-South problems and the nuclear issue. After listening to his view, Carter reportedly suggested to Secretary of State Warren Christopher to make a positive study of it.

In connection with the nuclear issue, Kim Tae-chung also suggested that Carter visit North Korea. Then, Carter disclosed that he had been invited several times by North Korea to visit Pyongyang. The two men agreed there, they say, that a "Carter visit" could be a way to reach a settlement on the tangled-up nuclear issue. Since Carter had been working as a mediator for dispute or friction-ridden regions since his retirement, it seemed

relatively natural that he visit Pyongyang. Thus, his recent visit to North Korea stemmed from that meeting, according to APF sources.

During his U.S. visit in May, Kim Tae-chung had telephone conversations with Carter. After that, he began working to implement his tactics based on their exchanges at the October meeting last year. His proposition was: "For the nuclear issue to be resolved, someone has to be sent to Pyongyang and, for that purpose, Carter is the best." That was the very time when the "Carter card" surfaced in public from behind the scenes.

This proposal of Kim Tae-chung came to a strange pass. It materialized for an unexpected reason: North Korea invited Carter. After Pyongyang invited Carter, the U.S. Government began studying it in a positive light. As for Clinton, to whom the North Korean nuclear issue was a headache, his position was that there is "nothing to lose."

Kim Tae-chung had already proposed a North-South summit at the APF inauguration in January. He has steadfastly maintained that in order to resolve the nuclear issue between the two parts of Korea, there is no other way but a North-South summit. In particular, he emphasized his position again in an interview with a monthly prior to the Carter visit. His position was reflected in the package brought back by Carter from Pyongyang. The development, after all, again proved the validity of his insight into North Korea. It is of course possible that Carter tipped him off before the visit.

In Kim Tae-chung's view, policies concerning the Korean unification issue as pursued by countries with interests in Korea like the United States, China, and Russia are affected by their national views and interests and, therefore, do not accurately reflect the essential points of the issue.

Kim Tae-chung also has a variety of channels to gather intelligence on developments inside North Korea. For example, he frequently sees officials of major corporations in charge of North Korean affairs for information on up-to-date situations in North Korea. He even reads all North Korea reports issued by the Foreign Policy and Security Research Institute.

He also was one of the first to inspect the blueprints of Wonsan and Mt. Kumgang regional development projects which were prepared by a religious group in consultation with North Korea. Those close to Kim Tae-chung point out that the volume of information he thus obtains on North Korea through private channels is much larger than what is provided by NAEOE TONGSIN. Evangelist Billy Graham is another person close to Kim Tae-chung in that they always share information. Kim Tae-chung even met a person who had served as an interpreter at a meeting between Graham and President Kim Il-song.

North Concentration Camp Guard Defects to South

SK1410022994 Seoul YONHAP in English 0216 GMT 14 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 14 (YONHAP)—A North Korean concentration camp guard has defected to South Korea through a third country, the Agency for National Security Planning (NSP) announced Thursday.

Staff Sergeant An Yong-chol, 25, a guard at Hoeryong camp for political prisoners near the Tumen River, decided to defect to the South due to his disgruntlement over the harsh fate befalling his father and unfair imprisonment of his mother.

When he returned to his home in Hongwon county, South Hamgyong Province, on leave in May, An's father committed suicide after his theft of food was uncovered and his mother was jailed on false charges of having "poisoned" her husband, according to the NSP.

An left behind his imprisoned mother and two younger brothers in the North.

Kim Il-song Memorial Service Events Discussed

SK1410075194 Seoul KYONGHYANG SINMUN in Korean 14 Oct 94 p 5

[Article by reporter Yi Chong-tak]

[FBIS Translated Text] The memorial service on the 100th day following the death of North Korea's Kim Il-song, reportedly scheduled for 15 October, is likely to be held more splendidly in scale than we anticipated.

North Korean media reported on 13 October that memorial services on the 100th day following the death of Kim Il-song were held in Phnom Penh, Cambodia for the first time in a foreign country, and that Qiao Zonghuai, PRC ambassador to the DPRK, and other embassy officials laid wreaths before the statue of Kim Il-song on Mansu Hill "on the occasion of the 100th day" following Kim Il-song's death.

Taking into account the fact that North Korea has not officially reported its plans for a memorial service on the 100th day following Kim Il-song's death, such a report by the North Korean media on 13 October can be interpreted to create an atmosphere for the memorial service, and this evokes our attention.

It has been reported that Foreign Minister Kim Yong-nam's visit to four Southeast Asian countries reportedly scheduled for 18-29 October, and Premier Kang Song-san's planned visit to Bangladesh, have been canceled. A conference of the heads of 77 North Korean overseas missions, including the North Korean representatives to organizations under the United Nations, will reportedly be held in Pyongyang on 12-14 October, timed to coincide with a memorial service on the 100th day following Kim Il-song's death.

In addition, North Korea has reportedly ordered all high-ranking figures who are visiting foreign countries to return home before the 100th day's memorial service are held. Along with this, North Korea's media have been reporting that foreign guests are coming to North Korea in succession.

Those North Korean high-ranking party and government officials who are now on foreign visits are Choe Su-hon and Cho Kyu-il, deputy foreign ministers; Sok Chang-sik, deputy director of the party's International Department; and Kim Won-chin, chairman of the Agricultural Committee. These are in addition to Kang Sok-chu, first deputy foreign minister, who is now in Geneva to attend the North Korean-U.S. talks. Choe Su-hon is attending the UN General Assembly, Cho Kyu-il is on a visit to the PRC, So Chang-sik is on a visit to Cuba, and Kim Won-chin is attending an agricultural conference of nonaligned countries. The ROK National Unification Board estimates all these North Korean officials would be home before 15 October, the day of the memorial service.

Pro-North Korean figures from the United States, Japan, and other countries as well as cadre members of pro-North Korean organizations in Norway are said to have arrived in Pyongyang. A delegation of the German Foreign Ministry arrived in Pyongyang on 12 October.

North Korean media's creation of an atmosphere for the memorial service is becoming more heated as time goes by.

The North Korean Central Broadcasting Station reported on 13 October: A documentary film, "Great Career 1994," which depicts Kim Chong-il's life has been produced, and 14 different kinds of stamps showing a picture of Kim Chong-il have been issued.

The station also reported: As the 100th day following the death of Kim Il-song draws near, the number of citizens who visit the statue of Kim Il-song on Mansu Hill is increasing, totalling as many as 17,800,000; people throughout the country who expressed condolences total 212,000,000.

Recently, the station also proudly reported that every day, around 2 o'clock in the morning, the time of Kim Il-song's death, Pyongyang streets are filled with a flood of people heading for the Mansu Hill, and as a result "the night scene of Pyongyang" has completely changed. As the 100th day of Kim Il-song's death draws near, North Korean media, mobilizing specialists from North Korea's meteorological office, have been clamoring about a violent gale that blew on Mt. Paektu and the unique weather that continues there.

A "fact" which leads us to firmly believe the 100th day's memorial service is expected to be splendidly held is that since Kim Il-song died, a mourning function has been held every month (on 8 August and 8 September), but no mourning function was held on 8 October at all.

In connection with the fact that there has been no official announcement from North Korean authorities on their plans for the 100th day's memorial service, some feel if a memorial service were held on 8 October, the 100th day's memorial service on 15 October would be held under the sponsorship of civilian organizations, not under the sponsorship of the North Korean Government, and that this may suggest the North Korean authorities would not attach great significance to the memorial service itself.

Accordingly, it is estimated that the upcoming memorial service on the 100th day following Kim's death will be held under the direct auspices of the North Korean authorities. Observers also analyze that the possibility of Kim Chong-il attending the memorial service is higher than before. Contrary to our expectations, the 10 October function marking the founding of the party and the dedication ceremony of Tangun's tomb on 11 October were held in a small scale, with the absence of Kim Chong-il.

An official from the National Board Unification said: If Kim Chong-il does not appear, even at the memorial service on the 100th day following Kim Il-song's death, we cannot help but interpret that something has happened with him. If so, we will wonder how North Korea, which has loudly propagated Kim Chong-il's "extreme filial piety," would explain the absence in the memorial service for his father.

Seoul, Tokyo Businessmen on Aid to Pyongyang

*SK1410085094 Seoul YONHAP in English 0719 GMT
14 Oct 94*

[FBIS Transcribed Text] Seoul, Oct. 14 (YONHAP)—Business leaders from South Korea and Japan agreed Friday that their countries need to maintain close cooperation in assisting North Korea so the North can proceed with plans to open up in a stable atmosphere, a spokesman for the Federation of Korean Industries (FKI) said Friday.

Explaining the outcome of the 11th meeting of Korean and Japanese business leaders held in Tokyo early Friday, the spokesman said they exchanged views on deregulation, which is being implemented in both countries, while agreeing to establish a cooperative system to exchange information.

They also pledged to resolve issues like the trade imbalance and technological cooperation in a reasonable manner.

Moreover, the businessmen agreed to help strengthen the bilateral strategic alliance and expand technological cooperation to take advantage of the recent trend whereby Japanese firms use parts made outside Japan and move their production facilities abroad to offset rising production costs caused by the ever-strengthening yen, the spokesman said.

FKI Chairman Choe Chong-hyon said in an opening address that Japan could help the development of East Asia by investing its huge trade surplus in the infrastructure of China, which is moving fast toward a market economy, and that South Korea could join Social Overhead Capital (SOC) projects in China.

Among the South Korean businessmen who attended the meeting were Chong Se-yong, chairman of the Hyundai business group, Kim U-chung, chairman of the Daewoo business group, Cho Sok-nae, chairman of the Hyosung business group, and Chang Chi-hyok, chairman of the Kohap business group, according to the spokesman.

Their Japanese counterparts included Toyota Shoichiro, chairman of Japan's Keidanren or the Confederation of Economic Organizations, and Keidanren Vice Chairman Suzuki Seiji.

Chief Representative to Tokyo Talks Transferred

OW1410132094 Tokyo TOKYO SHIMBUN in Japanese 13 Oct 94 Morning Edition p 2

[FBIS Translated Text] A source concerned with Japan-DPRK relations disclosed on 12 October that Chief representative Yi Sam-no of the DPRK delegation for talks with Japan on normalization of diplomatic relations has been appointed DPRK Ambassador to Indonesia. This appointment has also been confirmed by a Japanese Government source. However, no decision has been made as to who will succeed Yi.

The source did not reveal the reason Yi will be replaced. However, it is observed that he may have been replaced for various reasons. For example, the Japan-DPRK talks have been suspended for two years, since November 1992, without any signs of resumption, and it has become necessary for the DPRK to strengthen its ties with ASEAN nations, including Indonesia.

Kim Tae-chung Interviewed on Planned Tokyo Visit

OW1310142294 Tokyo YOMIURI SHIMBUN in Japanese 13 Oct 94 Morning Edition p 5

[By Takuji Kawata]

[FBIS Translated Text] Seoul, 12 Oct—Former South Korean opposition party leader and retired statesman Kim Tae-chung, (managing director of the Asia-Pacific Peace Foundation), met with visiting YOMIURI SHIMBUN Managing Director Osamu Shima on 12 October, and disclosed his plan to visit Japan in mid-April next year. He has not visited Japan since he was abducted in Tokyo in August 1973. This will be his first visit to Japan in 22 years.

Kim will make a one-week trip to Japan in mid-April to receive the title of professor emeritus from Chuo University. In addition, he will attend an event for publication in Japan of the translation of his book.

Except for several short stops at Narita Airport on his way home from Europe and the United States, Kim has never visited Japan since the abduction case. Kim had rejected inquiries by the Japanese police authority on the circumstances of the incident, saying Japan has not yet accepted his demand for a "review of the political settlement" of this issue. However, in a "bid to learn the truth," he received inquiries from the Metropolitan Police Department for the first time when he stopped at Narita Airport in October last year.

With regard to his first visit to Japan in 22 years, Kim said: "I would like to express my gratitude to those people in Japan for their longterm cooperation in searching for the truth. Relations among the Korean Peninsula and neighboring nations have become important lately. Under such a situation, it would not be good if I continued to reject visiting Japan only."

Ministry Urges Resolution of Iraq-Kuwait Tension

SK1410012194 Seoul YONHAP in English 0104 GMT 14 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 14 (YONHAP)—The South Korean Government, registering concern Friday at the alarming developments in the Gulf caused by Iraqi troop movements toward the Kuwait border, called for an early settlement.

Foreign Ministry Spokesman Chang Ki-ho issued a statement expressing hope that "stability will be restored soon in this region by the early settlement of the problems attributed to the current situation."

"The Government of the Republic of Korea reaffirms its support for the principles of the sovereignty, independence and territorial integrity of all countries, and re-emphasizes the importance of implementing the UN Security Council resolutions pertinent to the Gulf crisis," the statement said.

Daewoo-PRC Firm Joint Venture Established

SK0810005594 Seoul THE KOREA HERALD in English 8 Oct 94 p 8

[FBIS Transcribed Text] Daewoo Corp., a trading arm of the Daewoo Business Group, has set up a joint-venture trading company with China's Beiyang Tianjin Material Group Co. in the Chinese city of Tianjin, a Daewoo spokesman said.

The 50-50 firm, named "Beiyang Daewoo (Tianjin) International Development Corp.," is capitalized at \$3.1 million.

The firm, which Daewoo claims is the first joint-venture trading company between Korea and China, aims to generate \$100 million in annual sales in the first three years of operation and then \$200 million after that.

Seoul, Mexico Sign Taxation Accord for Investment

SK0810005894 Seoul THE KOREA HERALD in English 8 Oct 94 p 2

[FBIS Transcribed Text] South Korea and Mexico signed an agreement on the avoidance of double taxation and the prevention of fiscal evasion to facilitate mutual investment in each other's territory, the Foreign Ministry said yesterday.

The accord was signed in Mexico City by Amb. Yi Sang-chin of Korea and Mexican Foreign Minister Manuel Tello Thursday [6 October], it said.

A ministry official said the agreement is expected to promote not only South Korea's investment in Mexico but also its economic activities in the other member countries of the North America Free Trade Agreement (NAFTA).

*** National Security Planning Board Views Mission**

94p30003

[Editorial Report] The 16 September Seoul KYONGHYANG SINMUN in Korean reported on page 9 that since the beginning of the Kim Yong-sam government, the National Security Planning Board [NSP] has been trying to change its image to become "public service" oriented. As part of the new image, the NSP has openly revealed its new mission, which involves collecting "economic information" to help South Korea develop its high-tech industry and its economy. According to KYONGHYANG SINMUN, the NSP is not only engaged in information gathering, but also locally sponsors seminars and workshops for industry.

On 15 September, the NSP sponsored a seminar on "how to protect industrial secrets" from industrial spies, which was held at the Korea Chamber of Commerce. The NSP had paid guest speakers as well as its own people to talk about actual cases of theft of industrial technology and the resulting damage, and stressed the importance of protecting the technology. According to KYONGHYANG SINMUN, industrial circles welcome the new NSP role and urge the government to establish an office to protect the technology. Although no promise was made, the industry plans to raise employees' awareness of industrial espionage.

'Three Highs' Said Potential Threat to Economy

SK0910051694 Seoul THE KOREA HERALD in English 9 Oct 94 p 8

[FBIS Transcribed Text] New three "highs" are looming large as potential threats to the Korean economy which has been riding high on the growth track so far this year.

The three highs—high international interest rates, prices of raw materials and value of the Korean won against the

dollar—may have adverse impact on the future performance of the economy which posted an impressive 8.6 percent growth in the first half, experts said yesterday.

The new adverse conditions may force local businesses to pay higher funding costs in international financial markets, experience decreasing profit margins and suffer from declines in exports, they predicted.

According to the Bank of Korea yesterday, international interest rates have been rising sharply this year. The benchmark London Inter-Bank Offered Rate (LIBOR) was 5.68 percent, up 2.3 percentage points from 3.38 percent at the end of last year and the highest in three years, the central bank said.

Given Korea's net foreign debt of \$9.5 billion as of the end of July this year, local business are estimated to be burdened with an additional interest payment of \$240 million per year because of the international interest hike.

Cited as the reason for rising interest rates were raises of short-term interest rates in the United States and growing demand for funds in industrialized countries on the back of the recovery of their economies. The U.S. Federal Reserve Board have raised short-term rates five times this year.

International interest rates are expected to continue the current uptrend and rise to 6 percent to 6.5 percent by the end of the first half next year, the central bank quoted estimates by international economic institutions in the United States.

Economic Boom Seen in 'Most Business Sectors'

SK0810010194 Seoul THE KOREA TIMES in English 8 Oct 94 p 16

[FBIS Transcribed Text] A boom may spread through most business sectors but the footwear and textile industries will remain stagnant this month, the Federation of Korean Industries [FKI] said in a survey report yesterday.

The composite business survey index, based on a survey of the 500 largest mining and manufacturing companies, will stand at 126 points this month against last month's performance of 112.

Petrochemical, electric, electronic and machinery businesses will particularly enjoy high demand and some light industries including synthetic fiber and paper will also see their sales perk up.

Footwear and textiles, which have lost a comparative advantage in prices to China and other newcomers, are, however, expected to suffer slack business, said the FKI, an interest group of large concerns.

Exports, the driving force of the Korean economy, will continue to grow especially in the petrochemical and

electro-electronics sectors. Automobiles and textiles, whose exports slowed down last month, will recover favorable trends.

Domestic demand for heavy and chemical products will keep rising owing to the widespread business boom.

-Auto Dealers, Businesses 'Rapidly Increasing'

SK0910032694 Seoul THE KOREA TIMES in English
9 Oct 94 p 3

[FBIS Transcribed Text] One of the fastest growing businesses these days are car dealers or repair shops along with gas stations, thanks to the rapidly increasing number of passenger vehicles, which has already passed a landmark seven million this year.

According to a recent survey, released by the National Statistical Office on retail and wholesale industry in Korea, the number of car-related shops has experienced a 15 percent increase over last year, by far the biggest winner, followed by a distant second restaurants (8.2 percent).

The total of retail and wholesale shops across the country numbered about 1,345,000, a four percent increase over last year. The number of those employed was 3,330,000, while their revenues surpassed 165 trillion won or 13 percent increase over last year. Of about 83,000 picked at random, half are retail shops for first place.

In terms of an increase in sale, car-related businesses were No.1 with 33.3 percent. Wholesale was a distant second with 16.3 percent.

R&D Institutes, Computer Firms Creating Jobs

SK0910051894 Seoul THE KOREA HERALD in English
9 Oct 94 p 8

[FBIS Transcribed Text] Research and development institutes are creating jobs at the fastest pace among services. They had 24,712 people on their payrolls last year, up 17.7 percent from a year ago.

But the number of people engaged in real-estate businesses dropped 7.8 percent in the same year, reflecting a recession in the real-estate market.

Employment by information-processing and computer-related services and services related to entertainment, culture and sports grew 13.9 percent and 13.2 percent, respectively.

These are some of the findings in a recent survey of service businesses throughout the nation by the Korean Statistical Office.

Among the services, education-related businesses were the largest employers with 807,765 people on their payrolls, up 10.6 percent from a year ago. They accounted for 38 percent of the people employed in the service sector.

Education-related businesses created 77,452 new jobs last year.

The second largest group of service-sector employers was health and social welfare businesses, which had 284,651 people on their payrolls, up 11.4 percent from 1992. They accounted for 13.4 percent of all people employed in the service sector.

In revenues, education-related services generated 15,234.2 billion won in 1992, or 30.5 percent of the service industry's total. These were followed by health and social welfare businesses with 8,089 billion won.

But it was the research and development institutes which generated the highest rate of growth in revenues, which stood at 30.5 percent, though their revenues accounted for a mere 1.9 percent of the service industry's total.

These were followed by information-processing and computer-related services with 29.6 percent and hygiene and related services with 29.5 percent.

Real-estate businesses saw their revenues decline more than 20 percent.

According to another recent survey of wholesalers and retailers throughout the nation, they were seen to have employed 3,331,970 people last year, up 3.8 percent from a year ago.

Export of 'Own Brand-Names' Reaches 51.7 Percent

SK0910032994 Seoul THE KOREA TIMES in English
9 Oct 94 p 8

[FBIS Transcribed Text] Exports of products carrying their own brand-names have surpassed 50 percent of the country's total overseas shipments for the first time, the Trade, Industry and Energy Minister said yesterday.

The ministry, during the National Assembly inspection of the administration, disclosed that shipments of goods with their own brand-names stood at 51.7 percent of total exports during the first half of this year, topping for the first time those by OEM (original equipment manufacturing).

The share of products with their own brands rose to 49.1 percent last year from 47.4 percent in 1992 and is expected to continue growing, according to the ministry.

By industry, containers and shipbuilding have seen all their products go abroad carrying their own labels since last year, while automobiles enjoyed a leap in the share of vehicles with their own brands from 55.8 percent last year to 99.8 percent in the first six months.

Steel products with their own brand-names accounted for 89.1 percent of total steel exports during the January-June period of this year, up from 70.7 percent last year, while precision machinery posted 77.2 percent, a jump from 39.8 percent, the ministry figures showed.

Semiconductor Makers Prepare for Chip Competition

SK0910052094 Seoul THE KOREA HERALD in English 9 Oct 94 p 8

[FBIS Transcribed Text] Korean semiconductor chip producers are bracing up for a new round of international competition over 16 megabit dynamic random access memory (DRAM) chips.

They are renewing a fighting spirit as Japanese and American rivals have recently begun to invest massively into 16M DRAM chip plants.

In the coming war over 16M DRAMs, the Korean chip trio—Samsung Electronics Co., Hyundai Electronics Co. and Goldstar Electron Co.—appear to be in an advantageous position as they have already completed basic investments for production facilities.

According to experts, in the memory chip business, investment timing assumes greater importance than in any other businesses as it determines whether a firm makes or loses money.

An early entrant can enjoy big profit margins during the initial years, while a laggard has often to contend with far smaller margins as chip prices tend to drop rapidly.

Not every firm, however, can make investments at the right time because a new chip plant calls for a colossal amount of money. So only those who have won the preceding round of competition and thereby earned huge profits can make the investments required for the next round of battle at the right time.

The Korean trio were all winners in the competition over 4M DRAMs, still the hottest item in the world memory chip market. They earned more money than their rivals so they could better afford to make early investments for 16M DRAM plants.

Japanese and American chip powerhouses, however, appear to be determined not to allow their Korean rivals to carry away the 16M DRAM market again. Recently, they have announced one after another ambitious plans to build 16M lines.

Motorola of the United States has disclosed a \$380 million plan for a new chip factory in Scotland which is targeted at the European Union market.

Mitsubishi of Japan also announced plans to invest \$60 million to expand 16M lines in its U.S. and European production bases.

The Japanese company's U.S. and Germany subsidiaries will each produce 300,000 16M DRAMs next year.

Ahead of the two firms, NEC of Japan has disclosed an \$800 million plan for a new plant in England capable of fabricating 2 million 64M DRAMs a month.

Another Japanese chip powerhouse, Toshiba is planning to spend \$1 billion to build 16M and 64M production lines.

Texas Instruments of the United States has already teamed up with Acer of Taiwan to build a \$800 million chip factory in Taiwan. The plant, capable of processing 10,000 8-inch wafers a month, will begin operation in 1996. An 8-inch wafer normally yields 180 to 220 16M chips.

This array of investment plans, however, does not appear to be deterring the Korean trio.

"A full competition over 16M DRAMs will begin when the planned factories are completed. But by then, we will have almost doubled our present production capacity," said an official at the Korea Semiconductor Industry Association (KSIA).

Samsung, the world's No.1 memory chip supplier, is already capable of processing 25,000 8-inch wafers a month. By the end of this year, its production capacity will be raised to 45,000 wafers a month.

Hyundai is also expanding its capacity. On top of existing lines that can process 20,000 wafers a month, the company is building new lines to double its capacity.

Goldstar Electron, whose capacity is 20,000 wafers a month, is not building new lines but plans to do so depending on the market situation.

Together, the trio will invest as much as 3 trillion won (about \$3.75 billion) this year to expand 16M fabrication plants.

Last year, the trio plus other smaller Korean chip makers took a 23.6 percent share of the world memory chip market. This year, their share is expected to sharply increase to around 35 percent.

"This year, memory chip exports are likely to top \$12 billion, far higher than the original government target of \$10 billion," said an official of the Ministry of Trade, Industry and Energy (MOTIE).

The high export revenue is attributable partly to the continuing strength of the prices of 4M DRAMs. Contrary to expectations that the prices of 4M chips would plummet beginning early this year, they remained at high levels throughout this year. A 4M chip now sells for around \$13 per piece, comparing favorably with the \$12.4 marked at the beginning of this year, according to a Goldstar Electron official

Brunei, Malaysia & Singapore**Malaysia****Increase in UN Security Council Seats Sought**

BK1410091194 Kuala Lumpur Voice of Malaysia in English 0600 GMT 14 Oct 94

[FBIS Transcribed Text] Malaysia has asked the United Nations to increase the number of seats for nonpermanent members in the Security Council. The call was made by its Foreign Ministry's deputy secretary general Hazmi Agam. Addressing the plenary session of the 49th UN General Assembly in New York, he said an increase would reflect current reality and a rise in UN membership to 184. He pointed out that expansion of the Security Council would ensure a proper regional representation. The text of his speech was released in Kuala Lumpur.

Hazmi said regional representation should not be on the basis of the biggest and most powerful, but more importantly on the dynamics and development. He said the current composition of the Security Council, which favors European and Western countries, should be rectified. Foreign Minister Datuk Abdullah Ahmad Badawi recently said Malaysia will bid for one of the existing 10 nonpermanent member seats in the Security Council for the 1999-2000 term.

Trade Minister on Interest Rates, Labor Shortage

BK1310103394 Kuala Lumpur Voice of Malaysia in English 0600 GMT 13 Oct 94

[FBIS Transcribed Text] Malaysia will not raise interest rates as a mechanism to control inflation. It will tackle the problem at its source and make sure that the fruits enjoyed by the country is real net growth. The minister of international trade and industry, Datuk Sri Rafidah Aziz, said this at a news conference in Singapore today. She is in the island state to attend the Europe-East Asia economic summit organized by the Geneva-based World Economic Forum.

Datuk Sri Rafidah pointed out that the government was taking the problem of inflation very seriously although the rate is below five percent. This was to make sure that development efforts made by the country were not offset by the problem.

On the shortage of skilled workers in Malaysia, Datuk Sri Rafidah said both short and long-term measures were being taken to overcome the problem. They include allowing foreign institutions to set up training centers in Malaysia.

Singapore**Premier Urges Europe-East Asia Economic Ties**

BK1310155494 Singapore THE STRAITS TIMES in English 13 Oct 94 p 1

[Report by Cherian George]

[FBIS Transcribed Text] Prime Minister Goh Chok Tong called last night for Pacific-style economic cooperation between Europe and East Asia, and indicated that the ball was now in Europe's court.

"The real challenge to closer links between Europe and Asia lies in Europe," he said, noting that protectionism there was now "closer to the surface than at any time since the War".

Asian countries such as Indonesia had taken great political and social risks to open up their economies, he said.

"Surely, Europe ... is far better equipped to cope with the social and economic dislocations caused by competition than these developing countries."

The Prime Minister was the keynote speaker at the opening dinner for the Europe East Asia Summit. The three-day conference at the Shangri-La Hotel, organised by the Geneva-based World Economic Forum, has drawn about 500 government and business leaders from the two regions.

Mr. Goh's speech was a strong pitch for more trade and investment between the regions. Openness, while painful to the less competitive, would benefit all in the long run, he said.

He said Europe should work with Asia to open markets and increase their stakes in each other, as was happening across the Pacific under the framework of the Asia-Pacific Economic Cooperation.

This, he said, would create an unprecedented surge in global wealth.

But, he noted, intellectuals in Europe—including French Nobel laureate in economics Maurice Allais—were advancing the idea that free trade with developing countries would increase unemployment, wage inequality and other problems.

He urged Europe to resist these protectionist pressures.

Much poorer, developing countries such as Indonesia, China, Vietnam or India had introduced competition into their domestic economies and trade regimes, he said.

"They have persevered in these reforms, often at considerable political and social risk, because they know that these reforms are in their long-term interest," he said.

He cited Indonesia in particular: "It has to create jobs for 2.5 million new workers each year on top of a large pool of poor, underemployed labour."

He noted that Europe had an average per capita income 15 times greater than that of East Asia excluding Japan plus established market institutions, a largely skilled labour force, and vast stocks of private wealth.

He added: "Surely, Europe's ability to produce five centuries of progress ahead of other civilisations is testimony to its flexibility and innovation."

Although some unskilled jobs would, disappear if Europe stayed open, better-paying jobs would appear, he said.

"Maintaining low-cost jobs has never been a source of lasting competitiveness. Italy remains the world leader in the shoe industry, against the cobblers from low-wage developing countries, because its shoes are trendy and fashionable."

He added: "The addition of large new producers in the global economy is not a threat to European standard of living. Rather, they are the new customers who will create a new wave of prosperity in the West."

Mr. Goh also noted that Europe's investments in Asia remain low. He suggested three ways to speed up Europe's push towards Asia: —Form bilateral business councils to foster dialogue and generate joint projects. —Set up cross-cultural business institutes and programmes to allow Europeans to network with Asians, and gain exposure to each other's methods of doing business. —Europe should continue to provide technical assistance to Asia, especially emerging Indochina, so that the business environment that develops would be familiar to Europeans.

The yearly summit, the third since 1992, is being held in Singapore for the first time. Today's speakers include President Fidel Ramos of the Philippines, Prime Minister Datuk Sri Dr. Mahathir Mohamed of Malaysia, Prince Norodom Ranariddh of Cambodia, and Senior Minister Lee Kuan Yew.

Cambodia

PGNUNS Wants To Resolve SRV Migrants Issue

BK1310145094 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 13 Oct 94

["Communique" by the spokesman of the "Ministry of Immigration Dealing with the Problem of Vietnamese immigrants in Cambodia of the Provisional Government of National Union and National Salvation" dated 14 October; place not given—read by announcer]

[FBIS Translated Text] On 9 October Hun Sen and Ranariddh officially notified the UN secretary-general that the two-headed government would not expel any ethnic Vietnamese from Cambodia and that it would not execute any immigration law without the prior consent of the communist Vietnamese in Hanoi.

I. The two-headed government represented by Hun Sen and Ranariddh has once again clearly revealed its true colors as traitors selling out the country to Vietnam like Chey Chettha II [Cambodian king who gave part of

Cambodia to the Vietnamese in the 17th century]. The Cambodian nation and people have already rendered judgment on the two-headed government.

II. The villainous alliance with the United States, Australia, and France as the ringleaders has abusively used the United Nations to come in and scramble for interests in Cambodia by closely colluding with communist Vietnam. The facts are:

1. UNTAC [UN Transitional Authority in Cambodia] betrayed its mandate as it failed to control the withdrawal of Vietnamese forces from Cambodia, helped keep Vietnamese forces in Cambodia, issued laws that are favorable to the Vietnamese, and continues to allow more Vietnamese to pour into Cambodia at will, to the point that there are 4 million of them in this country now.

2. The villainous alliance and communist Vietnam have conspired with one another to make the UN secretary-general intervene in legitimizing the presence of the 4 million ethnic Vietnamese in Cambodia and opening the door for more of them to pour in. This constitutes an act that further violates the October 1991 Paris Agreement on Cambodia; further spurns international law and practice, the UN Charter, and the Geneva Convention of 1949; further infringes on the Cambodian people's fundamental right to run their own affairs; and further tramps on the Cambodian people's right to solve the problem of ethnic Vietnamese in Cambodia to save their own lives and their own nation and race.

The Cambodian nation and people and the Provisional Government of National Union and National Salvation [PGNUNS] most vigorously denounce and condemn the villainous alliance and communist Vietnam for using the United Nations to help Vietnam swallow Cambodia through the presence of 4 million ethnic Vietnamese in this country.

So that Cambodia survives and the Cambodian nation and people last forever, the Cambodian nation and people and the PGNUNS are determined to continue the struggle to solve this problem of 4 million ethnic Vietnamese in Cambodia in accordance with international law currently that is being practiced by all countries toward their foreign residents and Vietnamese immigrants.

14 October 1994 [date as heard]

[Signed] the Spokesman of the PGNUNS Ministry of Immigration dealing with the Problem of Vietnamese Immigrants in Cambodia

Foreign Minister Visits Bulgaria, Hungary

BK1310164094 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 12 Oct 94

[FBIS Translated Text] The delegation from the Ministry of the Foreign Affairs and International Cooperation led by Prince Kromkhun Norodom Sirivut arrived

in Sofia on 10 October at 1620. The delegation was welcomed at the airport by Bulgarian Deputy Foreign Minister and some high-ranking officials from the Bulgarian Foreign Ministry.

Replying to many reporters' questions, the prince stressed the friendly relations between the two countries and the real situation in Cambodia. On 10 October the Prince Kromkhun held talks with His Excellency [H.E.] Stanislav Daskalov, Bulgarian foreign minister; H.E. (Kino Vostow), deputy prime minister; and H.E. (Odon Korolovich), vice chairman of the National Assembly.

The two sides exchanged information on the political and economic situation in their respective countries. The Bulgarian side praised the peace process in Cambodia following the UN-sponsored general election. On regional and international affairs, the Bulgarian side expressed its desire to quickly become a European Union member and its view supporting no outside interference in the conflict in the former Yugoslavia. The prince kromkhun informed the Bulgarian side on the Kingdom of Cambodia's application for ASEAN membership and in the ASEAN Forum, which will meet in Brunei next year.

On bilateral relations, Bulgaria proposed the signing of an agreement on economic cooperation between the two countries. The prince kromkhun thanked Bulgaria for continuing to provide scholarships to Cambodian students and appealed to Bulgarian businessmen to invest in the Kingdom of Cambodia in such fields as construction and tourism.

H.E. the Bulgarian foreign minister positively responded to the invitation by the prince kromkhun to pay an official visit to the Kingdom of Cambodia.

The prince kromkhun and the Bulgarian foreign minister answered questions of many radio and television reporters focusing on the cooperation between the two countries, the situation in Cambodia, and the Khmer Rouge issue.

In a separate interview the prince kromkhun pointed out the fine relations between Cambodia and Bulgaria and stressed that Cambodia will support Bulgaria's application for membership in the UN Trade Law Commission at this 49th general assembly.

At a meeting with H.E. the vice chairman of the National Assembly the prince kromkhun conveyed greetings from Samdech Chea Sim and the invitation to Their Excellencies Chairman and Vice Chairman of Bulgaria to pay an official visit to the Kingdom of Cambodia. H.E. the vice chairman thanked Samdech Chea Sim and the prince kromkhun, saying that the relations between the two democratic countries will certainly be strengthened and expanded.

On the same day, the prince kromkhun and delegation were feted by H.E. the foreign minister. They also laid

wreaths at the monument to fallen combatants accompanied by guards of honor and music.

On 11 October, after a meeting with Cambodian students in Bulgaria, organized by the Kingdom of Cambodia's embassy in Sofia, the prince minister and members of the delegation left Sofia for an official visit to the Republic of Hungary.

At 1730 on 11 October the delegation from the Ministry of Foreign Affairs and International Cooperation led by Prince Kromkhun Norodom Sirivut arrived in Budapest and was welcomed by H.E. (Zoltan Perez Benzi), Hungarian deputy foreign minister; and a number of high-ranking officials from the Hungarian Foreign Ministry.

In accordance with the program, on 12 October, H.E. Lazlo Kovacs, Hungarian foreign minister, received for talks and hosted a reception for the prince minister.

Apart from this the prince held talks with H.E. (Lazlo Beteti), minister of finance; and H.E. (Imre Dinai), state secretary for industry and trade. Mrs. Pok Marina also held separate meeting with H.E. (Zoltan Perez Benzi), deputy foreign minister.

Army Chiefs Get Reports of KR Defections

BK1410081894 Hong Kong AFP in English 0622 GMT 14 Oct 94

[by Kevin Barrington]

[FBIS Transcribed Text] PHNOM PENH, Oct 14 (AFP)—Cambodia's general chief-of-staff and other high ranking military officials left here Friday for the southern province of Kampot following reports that many Khmer Rouge [KR] guerrillas holding three western hostages may want to defect.

"We heard that around 100 Khmer Rouge guerrillas want to defect," said General Chhum Socheat, spokesman for General Chief-of-Staff Ke Kimyan.

"The report came in yesterday," he said. "That's why everybody went there."

General On Kamsot, secretary to General Ke Kimyan, said that the Khmer Rouge may want to defect "because we surrounded them for months and they may lack food and supplies."

"General Ke Kimyan and many other military officials went there to find out the real situation," he said.

A group of 12 Khmer Rouge guerrillas defected Friday with their weapons, the general said.

The Khmer Rouge seized Frenchman Jean-Michel Braquet, 27, Briton Mark Slater, 28, and Australian David Wilson, 29, in a bloody train ambush July 26.

The three backpackers were taken to a guerrilla base on the nearby rain-drenched and malarial Phnom Voar (Vine Mountain).

There has been no information, however, on the hostages' fate for several weeks and there have been unconfirmed reports that the Khmer Rouge may have succeeded in moving the three off the mountain and to another guerrilla base.

But a western diplomatic source was skeptical about the report, saying he had heard no news of mass defections.

There had only been a trickle of defectors so far and it was not clear whether they were hardened Khmer Rouge fighters or just militiamen.

Khmer Rouge Commander Paet, who controls the area in which the hostages are believed to be held, originally demanded a ransom of some 150,000 US dollars in gold for the release of the three.

But the Khmer Rouge leadership then intervened and complicated matters by adding political demands that the recently outlawed faction be made legal again and that western powers cease all military assistance to the Phnom Penh government.

The government deployed several thousand troops in the remote region of Kampot province to try to cut off all supplies going in to the guerrillas and to prevent the hostages from being moved out.

A government official said the military hoped to put enough pressure on the guerrilla kidnappers to make them ignore the Khmer Rouge leaderships' demands and settle the hostage crisis locally.

Government soldiers in Kampot recently said they were tightening the noose around the Khmer Rouge bases on Phnom Voar.

But the soldiers admitted that the mountaineous terrain made it nearly impossible to erect a total "wall of steel" around the guerrillas.

One officer said he believed Khmer Rouge reinforcements with additional supplies had broken through government lines and into the rebels mountain base on at least one occasion.

The Khmer Rouge reinforcements were believed to include some 150 guerrillas from adjacent Kompong Speu province.

Other Khmer Rouge units have been staging hit-and-run attacks elsewhere in the province as [words indistinct] tactic to take pressure off the guerrillas on the mountain.

Danish Ambassador Pledges \$65 Million in Aid

*BK1410090094 Phnom Penh REAKSMEI
KAMPUCHEA in Cambodian 14 Oct 94 p 4*

[FBIS Summary] At a meeting on 11 October to present his credentials, Danish ambassador Jorgen Reimers told Second Prime Minister Hun Sen that Denmark plans to provide \$65 million to repair the ferry in Neak Luong and damaged roads in Cambodia. The ambassador said

this aid will be provided through various humanitarian organizations now working in Cambodia. Most of Danish aid comes through the Mekong Committee's projects.

Indonesia

Army Rejects East Timor Cease-Fire

*BK1310131894 Jakarta ANTARA in Indonesian 0748
GMT 13 Oct 94*

[FBIS Transcribed Text] Dili, 13 October (ANTARA)—Major General R. Adang Rukhiatna Puriadireja, commander of the Ninth Udayana Military Region, has stated that East Timor terrorists who surrender will be received and treated well in line with the long-standing policy, but there will be no cease-fire with them.

"If they want to surrender, we will certainly accept them. It will be impossible for the ABRI [Armed Forces of the Republic of Indonesia] to reject them. This is in line with the presidential policy," he said in Dili on Thursday.

The Udayana military commander stated this in reply to a question about foreign media reports on the statement of the foreign-based Fretilin [Revolutionary Front for an Independent East Timor] led by Ramos Horta that the military had rejected any cease-fire with the Fretilin.

"If they want to surrender, we will certainly accept them, but if you talk about Ramos Horta, there will be no cease-fire," he said.

Answering a question on whether there will be a troop reduction in East Timor in October, the Udayana military commander said there may be such a plan, but he needs to confirm it. The commander is now in Dili as a member of a delegation of Ir. [academic title] Azwar Anas, coordinating minister for people's welfare, who presented an award to Dili District on behalf of the president of the Republic of Indonesia.

"We have reduced the number of troops in East Timor after we assessed the situation here," he said.

Two battalions have been withdrawn from East Timor since the East Timor Special Operations Command was disbanded in 1993. There are presently seven territorial battalions to help the provincial administration and local people in development, while a combat battalion is assigned to pursue the remaining East Timor terrorists in addition to conducting a "civic mission" [preceding two words in English] in the province.

Horta Sees No Improvement

*BR1310143794 Lisbon DIARIO DE NOTICIAS in
Portuguese 9 Oct 94 p 9*

[Paula Ferreira report: "Djakarta's Influence is Slackening"]

[Text] Back from New York and on his way to Luanda [Angola], [Timorese Resistance Leader] Ramos Horta lunched yesterday in Lisbon with [Portuguese President] Mario Soares, as part of the delegation to the Timor Days conference held in Porto.

"We are promoting a further meeting with [Indonesian Foreign Minister] Ali Alatas, with the participation of UN members," Ramos Horta said upon arriving in Belem. The meeting with the Indonesian foreign minister, in New York, represented "the recognition of Timor's case and a setback for Indonesian policy in this field. According to Ramos Horta, Ali Alatas appealed to him "not to allow Indonesia to be attacked so much" and showed himself "concerned about the role played by Portugal on the international front." "We are noting Indonesia's gestures, but we do not welcome them," was the reply from National Resistance Council Special Representative Maubere, according to whom the Indonesian lobby's influence is slackening. Ramos Horta believed that progress had been made in the diplomatic and political fields, but that "no improvement" had occurred in the domestic situation.

The Timor leader wished to take advantage of the "optimism" with which the authorities in Washington view the talks with Djakarta (Clinton will be raising the issue of Timor at the Asian-Pacific countries' summit for economic cooperation) in order to request the United Nations to encourage further meetings. Ramos Horta believes in the importance of further talks with Alatas, on the basis of "independence," as from the moment when this is granted.

In his conversation with journalists, it was with "sadness" that he recalled Abilio Araujo's arrival "in a Cadillac of the Indonesian delegation to attend the New York meeting... knowing that the hotel in which he would be staying was paid for by the Indonesians." Ramos Horta then told about some of the incidents surrounding the meeting, which was held after he had rejected Alatas' proposal to meet at the Indonesian mission or in the hotel where he was staying. "The Indonesian minister suggested that the meeting should take place in his hotel, but even if we had wanted to, we did not have enough money available for even one night."

Timor was the "main course" in Belem. Following a meeting with Amnesty International, Soares brought together, for lunch, a number of participants to the Porto Days, including representatives from Indonesia, Holland, Ireland, Japan, and Brasil.

Augus Santoso, a 34-year old Indonesian human-rights activist, who took part in the Porto Days, brought with him a peace proposal, namely "direct conversations between Mario Soares and [Indonesian President] Suharto." Despite the fact that he did not consider himself a "criminal," Augus was afraid of going back after taking part in the Porto conference.

Apart from these participants, Soares had invited International Jurists' Platform member Pinto Leite, the members of the ad hoc committee set up to follow developments in Timor, journalist Max Stahl, and the leaders of Timor's resistance in Lisbon.

The publication of Amnesty International's (AI) report "Power and Impunity" on the eve of the third anniversary of the Santa Cruz massacre will be of special interest to Mario Soares.

The invitation was originally sent out on the initiative of Portuguese section director Vitor Nogueira, who on 11 October will denounce, in Portuguese, human rights violations in Timor and Indonesia.

Up until now Indonesia has given no response to the report's specific allegations, and has only stated that it considers it "a political campaign against Indonesia," and that "human rights are not universal."

Vitor Nogueira, who was in Belem yesterday, also exchanged views with Soares on AI's international campaign aimed at lobbying third countries so that they raise human rights issues in their relations—including trade—with Djakarta.

Commander: East Timor Open to Foreign Reporters

BK1410114394 Jakarta ANTARA in Indonesian 1639 GMT 13 Oct 94

[FBIS Translated Excerpt] Dili, 13 Oct (ANTARA)—Major General R. Adang Rukhiatna Puriadireja, commander of the Udayana Regional Military Command, says that foreign journalists are not banned from visiting East Timor as long as they comply with existing regulations in Indonesia. Similar regulations also exist in other countries in the world and a person visiting another country is supposed to comply with that country's regulations. The commander said this to ANTARA in Dili on Thursday.

"You know that Information Minister Harmoko has never banned foreign journalists from visiting East Timor as long as they comply with the regulations, which state, among other things, that they must get permission first," he said when asked to comment on the planned visit to East Timor by many foreign correspondents after they attend the APEC [Asia-Pacific Economic Cooperation] informal meeting in Bogor in November.

At a recent meeting with officers of East Timor's Wiradharma 164th Resort Military Command in Dili, three media consultants from the United States and Australia said that about 1,000 out of 4,000 foreign correspondents who will cover the APEC meeting have expressed interest in visiting Indonesia's youngest province.

"Indonesia is an independent and sovereign country which has its own laws. If foreign journalists comply with our laws, we will certainly welcome their visits to East Timor," he said. [passage omitted]

Suharto Meets Iranian President

BK1310163694 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 13 Oct 94

[FBIS Translated Text] President Suharto welcomed his Iranian counterpart President Hashemi-Rafsanjani in a military ceremony at the Merdeka Palace grounds this morning. The national anthems of the two nations were played and a 21-gun salute fired. After the ceremony, the two leaders held a brief meeting at Merdeka Palace. President Suharto, who was accompanied by Foreign Minister Ali Alatas and Minister and State Secretary Murdiono, later took President Hashemi-Rafsanjani and a number of senior Iranian officials to the State Guest-house where they will stay during the three-day state visit to Indonesia.

Minister and State Secretary Murdiono described the brief meeting between President Suharto and President Hashemi Rafsanjani.

[Begin Murdiono recording] The president welcomed his guest during the courtesy call. As President Hashemi-Rafsanjani will visit the Nusantara Aircraft Industry in Bandung, Mr. Suharto briefly told the Iranian president that M-250 aircraft, which will be rolled out in the first weeks of next month, are fully produced by Indonesians. Mr. Suharto expressed the hope that the visit will strengthen mutual understanding, friendship, and cooperation between the two nations. President Hashemi-Rafsanjani expressed his gratitude over our warm reception. Please allow me to quote him as saying that he feels at home in Jakarta! Perhaps he means that he feels as if he is with his own family. He spontaneously told President Suharto that he saw the spectacular progress of the city of Jakarta as he was driven from the airport to Merdeka Palace. As we know, he came to Jakarta before as head of the Iranian delegation to the 10th summit of the Nonaligned Movement. [end recording]

President and Mrs. Suharto are scheduled to host a dinner banquet in honor of the state guests President and Mrs. Hashemi-Rafsanjani at the State Palace tonight. The two leaders will hold official talks on Friday.

Hosts, Speaks at Banquet

BK1410014994 Jakarta Radio Republik Indonesia Network in Indonesian 1500 GMT 13 Oct 94

[FBIS Translated Text] Indonesia, as the current chairman of the Nonaligned Movement [NAM], is striving to enhance South-South cooperation. Simultaneously, it is striving to promote constructive dialogue with developed nations on the basis of advantageous partnership to shoulder common responsibility for the welfare of mankind. Speaking at a dinner banquet in honor of Hashemi-Rafsanjani, president of the Islamic Republic of Iran, at the State Palace tonight, President Suharto said Indonesia is consistently determined to enhance friendly relations and cooperation with all nations.

[Begin Suharto recording] Indonesia's policy of promoting peaceful coexistence and mutually advantageous cooperation among nations for the welfare of the mankind is not based on short-term gains or losses but a legacy of our predecessors. We will preserve the eternity of this policy. I am glad to see that the Islamic Republic of Iran and the Republic of Indonesia share similar views on and take similar steps to deal with various international and regional issues. Our two nations are developing cooperation with other nations to promote our respective progress and welfare. Steps have been taken to promote economic cooperation among developing nations in particular and among all nations in the world in general. [end recording]

Meanwhile, President Hashemi-Rafsanjani said in his return speech that he praises Indonesia for consistently leading the NAM and hopes for the enhancement of relations between the two nations.

The dinner banquet was preceded by an exchange of souvenirs. President Suharto presented a Bali keris, a batik shirt, and books on Islam and Indonesia to his guest. In return, President Hashemi-Rafsanjani gave President Suharto a praying mat. Mrs. Suharto gave a batik cloth, books on Indonesia, and silver cutlery to Mrs. Hashemi-Rafsanjani, while the latter presented a bed cover to the former.

Bilateral Relations Assessed

NC1410091094 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 0430 GMT 14 Oct 94

[FBIS Translated Text] Indonesia wants to have greater cooperation with the Islamic Republic of Iran. According to our special correspondent dispatched to Jakarta, President Hashemi-Rafsanjani attended a banquet hosted by President Suharto in his honor on the first night of his stay in Indonesia. Our correspondent reports on the remarks by Suharto and Hashemi-Rafsanjani on this occasion:

[Begin correspondent recording] At the banquet President Suharto referred to the religious and historical bonds between the Indonesian and Iranian nations and called for broadening bilateral cooperation. The Indonesian president stressed the need for greater cooperation in the commercial, scientific, industrial, and technical fields and expressed the hope that the visit by the Iranian delegation to his country should be a precursor to expanding mutual relations.

Suharto then alluded to the current fissure between the countries of the North and South and deemed the lack of access to advanced technology, a shortage of capital, and shortage of expert manpower the main factors in the backwardness of the countries of the South compared with those of the North and stressed the need for the developing countries to utilize economic opportunities.

In his address President Hashemi-Rafsanjani stated that bilateral relations were based on the enriched Islamic culture and historic Asian bonds. He described the visit by the Indonesian president to Tehran last year as the beginning of a new phase in bilateral relations.

President Hashemi-Rafsanjani expressed pleasure that in conjunction with bilateral cooperation the two countries continue to enjoy joint cooperation on the international level. He elaborated on the current onslaught and plots against the Islamic world and emphasized the need for cooperation among the Islamic and developing countries, adding: In the current political, economic, and cultural climate in the world, cooperation between the ASEAN and ECO will be very decisive.

President Hashemi-Rafsanjani asserted: The Islamic Republic of Iran does not accept the claims of any country to world leadership and calls for respecting the rights of all nations, their determination, and their opinions.

Continuing his remarks, Hashemi-Rafsanjani mentioned the abuse of expressions such as human rights and said: Unfortunately today, human rights is used as a lever in the foreign relations of some arrogant governments against developing Islamic countries. A selective and contradictory approach in using it on the international level is only aimed at imposing domination, interfering in the international affairs of others, and ultimately, preventing the growth and development of these countries.

Recounting the continuing atrocities against the Palestinian Muslims and the killing of the defenseless people of Bosnia-Herzegovina, which are blatant examples of these abuses, contradictions, and a discriminatory approach, President Hashemi-Rafsanjani called for greater attention by the international community to such aggression and the vindication of the wrested rights of the tyrannized peoples.

Concluding, President Hashemi-Rafsanjani stressed the pacifist policies of the Islamic Republic of Iran and the need for ensuring regional security by the regional countries. [end recording]

Our correspondent in Jakarta reports that the first round of official talks between the presidents of the Islamic Republic of Iran and Indonesia began a few hours ago. Simultaneously, the foreign affairs and economic committees held separate sessions. The foreign affairs committee is headed by Dr. Veiyati and the economic committee is led by Gharazi.

Laos

'Enemy' Losses During War in 1961, 1962

BK1410013594 Vientiane Vitthayou Hengsat Radio Network in Lao 0430 GMT 13 Oct 94

[Feature from "Army Tradition Review Program": "Resolute and Heroic Fighting of Company 14"]

[FBIS Translated Excerpt] After liberating Sam Neua in 1960, Armed Forces Company 14 of Houa Meuang District [Houa Phan Province] was consolidated and reorganized in the organizational, political, and ideological fields. It then coordinated with regular armed forces of the district in launching attacks against areas temporarily controlled by the enemies in 10 cantons, thereby freeing the people from the enemy control and liberating many localities throughout Houa Meuang District. [passage omitted]

In late 1961 and in 1962, the imperialist aggressors and their henchmen in Houa Meuang District, in an effort to recoup their defeats, concentrated forces on attacking areas under the responsibility of Company 14, such as Namtip, Chomsan, and Sathon, while deploying another prong of their forces to attack and encircle (area 4) in southern Sathon Canton. [passage omitted] Through the tortuous, difficult period of fighting the enemies to defend the areas for two years, combatants of Company 14 killed 220 enemy elements, took 36 others prisoner, and seized a number of war equipment during a total of 28 major or minor combat operations.

Implementing the slogans of suppressing bandits, wiping out enemy elements, and freeing the people, Company 14, supported by local militia-guerrilla forces, launched a suppression operation against the enemy elements in various areas in Houa Meuang District, namely Phadeng, Pot Namtip, Houai Sai, and Phou Kieulom. Following the suppression operation, 31 enemy elements were killed on the spot and 45 guns were seized while all positions were securely defended and the people were saved. [passage omitted]

President To Pay Official Visit to Indonesia

BK1410084894 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 14 Oct 94

[Press release issued by Presidential Office—dated 14 October]

[FBIS Translated Text] In response to an invitation of His Excellency [H.E.] Suharto, President of the Republic of Indonesia, H.E. Nouhak Phoumsavan, our Lao president, and his wife will pay an official friendship visit to the Republic of Indonesia from 17 to 22 October 1994.

Nine Bridges Planned With Nordic Loan

BK1210111594 Vientiane KPL in English 0908 GMT 12 Oct 94

[FBIS Transcribed Text] Vientiane October 12 (KPL)—A signing ceremony took place on October 10 at the Ministry of Communication, Transport, Post Office, and Construction between the said ministry and Skanka Company over the construction of nine bridges along Vientiane-Pak Kading Road No. 13 (south).

The signatories were on the Lao side, Mr. Mat Soundala, director of communication, and on the entrepreneur side, Tommy Johanson.

The nine bridges will be 7 metres wide and are designed for two lanes. All will be compressed concrete with a capacity of 80 tons and are to last 100 year. The total cost of U.S. 7.25 millions will be financed by a loan provided to the Lao PDR [People's Democratic Republic] by the group of Nordic banks.

Foreign Minister Back From UN, Foreign Visits

*BK1410134694 Vientiane KPL in English 0927 GMT
14 Oct 94*

[FBIS Transcribed Text] Vientiane, October 14 (KPL)—A Lao delegation led by Foreign Minister Somsavat Lengsavat, returned home yesterday following the participation in the 49th United Nations General Assembly held in New York, the visits to Cuba, Canada, the United Kingdom.

Attending the 49th session of the United Nations General Assembly, the Lao delegation visited Cuba between September 21-26 in response to the invitation of Robaina Gonzalez, Cuban foreign minister.

In Cuba, the foreign minister and his Cuban counterpart discussed the bilateral cooperation and international issues of mutual interest. The delegation toured some economic and cultural sites in Havana.

October 4, the Lao foreign minister made a speech to the 49th United Nations General Assembly in New York.

During the Canada visit between October 5-7, 1994 the delegation reached with Canada memorandum of understanding on exportation of textile and (word indistinct) products from Laos to Canada. Canada is ready to help Lao personnel in management of all factories and factories framework of the French-(?speaking) countries.

While the Lao foreign minister met senior officials of the Ministry of Foreign Affairs of Canada, senior technicians of the International Development Research (?of Canada) (IDRC) and Canadian international development organisations expressed the pleasure to render cooperation in research of fish strains in Mekong river environment portion, technical and scientific development training of English language teachers, Lao personnel (?training) in Malaysia, Singapore, Canada and the funding Canadian private firms to carry conomic analysis of certain (?permanent) projects in Laos.

(?The) visit to Canada by the Lao foreign minister has created good understanding for Canada about the economic development plan of the Lao PDR [People's Democratic Reopublic].

While in Ottawa (?and) Montreal, Somsavat Lengsavat (?visited) the Lao-born Canadians the development in the Lao a frank atmosphere. [sentence as received]

Last leg of the 24-day long took the Lao foreign minister to the United Kingdom of Great Britain and Northern Ireland.

While there, Somsavat Lengsavat (?and) his British counterpart, Douglas Hurd, discussed the bilateral relation and international issues of mutual interest. The British (?Government) is pleased to fund training of Lao teachers of English. He also met with British businessmen.

Bolikhamsai Province To Face Rice Shortage

*BK1210120994 Vientiane KPL in English 0911 GMT
12 Oct 94*

[FBIS Transcribed Text] Vientiane, October 12 (KPL)—It is estimated that Bolikhamsai [will] face a rice shortage of 55,000 tons as a result of recent floods. The floods submerged 7,361 ha transplanted paddy fields of which 5,997 ha could not be harvested. This central province expects a harvest of 48,000 tons of paddy from 11,252 ha paddy fields and 11,105 ha upland rice farming land. Of the expected harvest, some 30,000 tons are expected from lowland rice farming. At present, the harvest of upland rice farming is nearly finished.

The floods resulted from heavy and prolonged rains affected 47,000 ha of rice farming land in 10 provinces, one special zone and Vientiane Prefecture. Of the inundated land, harvest is impossible on 33,000 ha.

Philippines

Paper Criticizes Government on Haiti, Iraq

*BK1410020894 Manila THE MANILA CHRONICLE
in English 12 Oct 94 p 4*

[Editorial: "Sloppy Handling of Haiti Issue"]

[FBIS Transcribed Text] It is unfortunate that much public debate characterized the government's decision to dispatch members of the Philippine National Police to do peace-keeping duties in Haiti. Although Malacanang [presidential office] had given its word to the United States to send the contingent, some lawmakers unnecessarily intruded into the issue that clearly was a foreign policy matter which is, by our democratic tradition, an Executive domain. The Executive hemmed and hawed on the decision and only reluctantly pushed through with the deployment after smoothing ruffled legislative feelings.

As a result, the Philippines showed hesitancy and confusion in assisting an old ally to restore democracy and reimpose public order in Haiti, an enterprise that had been backed no less by a United Nations resolution. What made the matter worse was that we were agonizing over whether or not to send troops even after it had become certain that we were on the side of the victors. We didn't even know how to exploit a situation that was clearly to our advantage.

This incident is another woeful display of our inability to get our act together. It does not help that our foreign policy lacks direction, consistency and substance. All

that this government has firmed up is a timely thrust on economic diplomacy that, however, lacks foundation inasmuch as our foreign policy establishment has not defined the fundamentals of our dealings with the outside world. This is in sharp contrast to the activist foreign policies of previous governments, such as those of Elpidio Quirino and Diosdado Macapagal.

Our poor handling of the Haiti issue does not inspire confidence in the future, especially in case of another war in the Persian Gulf. To our relief, some compelling otherworldly [word as published] being, like a *deus ex machina*, has moved Saddam to withdraw the Iraqi troops he had earlier massed near the Kuwaiti border. Our foreign office has been saved again from playing the tired game of diplomatic yo-yo which it has mastered like a world-class delegate to the Asiad.

In the case of Iraq, there was hardly any relevant response from the foreign office on the border developments. All that it could show was a press release alerting Philippine embassies abroad that, however, would not go a long way in injecting a sense of urgency on our inert foreign service personnel abroad. In any case, our representatives abroad have been notorious for incompetence and high-handedness.

Our foreign office has even failed to express concern about the Iraqi troop movements, short of condemning them. It has not learned from the 1991 war which taught everybody, save for us who have short memory, that conflict, especially if it involves strategic resources vital to national economies, like oil, cannot be localized or regionalized—that we, a puny nation through we are, have a stake in any war in the Middle East. At the very least, we are not spared from the dire consequences of another probable war in the Gulf—whether or not we are merely watching from the sidelines.

Because it lacks a sense of history and destiny, our foreign office is unprepared to respond to foreign policy challenges and transform them into opportunities for advancing the national interest. Because of its egregious responses to conflicts breaking out in many parts of the globe, our foreign office does not inspire much confidence. By its precarious handling of crisis after crisis, our foreign policy establishment has evolved a diplomacy of disaster.

Thailand

Chamlong Implements Changes in Reshuffle Plan

Four Ministers Resign

BK1410020394 Bangkok Radio Thailand Network in English 0000 GMT 14 Oct 94

[FBIS Transcribed Text] Four cabinet members of the Phalang Tham Party have decided to resign from their posts to pave the way for a cabinet reshuffle.

Secretary General of the Phalang Tham Party Sudarat Keyuraphan yesterday submitted letters of resignation of the four cabinet ministers to Prime Minister Chuan Likphai through Secretary General to the Prime Minister Thawat Wichaidit. The four cabinet members include Minister of University Affairs Suthep Atthakon, Deputy Minister of Agriculture and Cooperatives Thawin Chanprasong, Deputy Defense Minister Sombat Rotphothong, and Deputy Public Health Minister Udomsin Sisaengnam.

Mrs. Sudarat said the Phalang Tham's proposed new cabinet lineup may not be satisfactory to all members of the party. But she called on them to take in account the interest of the majority rather than personal interest.

The party leader has been criticized for offering two cabinet posts to businessmen who are non-members of parliament.

Party Withdraws Three Outsiders

BK1410064094 Bangkok Radio Thailand Network in Thai 0530 GMT 14 Oct 94

[FBIS Translated Text] Major General Chamlong Simuang, leader of Phalang Tham Party, reported on the results of consultations with all the 11 Cabinet members of the party.

He said good understanding has been reached among all sides. It was agreed that the names of three non-members of parliament will be removed from the party's reshuffle list.

Chamlong said that after a discussion with Foreign Minister Squadron Leader Prasong Sunsiri, it was agreed that before making any nomination, the qualification of nominees should be checked first. The meeting assigned Thawin Phraison to take that responsibility.

The Phalang Tham leader confirmed that the party's reshuffle list will definitely be submitted to the prime minister today. He will ask the New Aspiration Party leader if he would also submit his party's reshuffle list at the same time. If the New Aspiration Party does not want to do so, Chamlong said he will not wait any more.

PDP MP's Decline Nominations

BK1410031794 Bangkok Radio Thailand Network in Thai 0000 GMT 14 Oct 94

[FBIS Translated Text] Two proposed nominees for ministerial posts under the quota of Phalang Tham Party [PDP] withdrew their nominations yesterday.

They are Seri Phatthanaphanchai, member of the PDP executive committee, who was nominated for the post of deputy interior minister, and Phongsak Intharaphanit, PDP Member of Parliament of Khon Kaen Province, who was nominated for the post of deputy education minister.

Dynamics of PDP Rift

BK1410060294 Bangkok THE NATION in English 14 Oct 94 pp A1, A4

[FBIS Transcribed Text] Political suspense prevailed last night as the Palang Tham [PDP] leadership and party rebels grappled over the controversial new Cabinet line-up after failing to reach a compromise.

The drama triggered wild speculation about the possible ejection of the third largest party from the government or a dissolution of the House.

But Prime Minister Chuan Likphai sought to play down what appears to be the biggest political crisis of his five-party coalition government, saying he did not believe the strife-torn PDP [Phalang Tham Party] was deadlocked.

"We should give the Palang Tham Party more time to sort things out. Both sides (leadership and dissidents) should try to iron out their differences through discussion, with mutual respect," Chuan said.

The prime minister said he had not thought about the possibility of dissolving the House of Representatives at this time.

On Wednesday, Chuan told PDP leader Chamlong Simuang that he should attach importance to resolving the PDP's internal problems while not jeopardizing the coalition government's stability.

According to sources, Chamlong yesterday threatened to either dissolve the party or pull out of the Democrat-led coalition government unless the rebellious lawmakers toe the party line.

Under the law governing political parties, members of a party which is dissolved have 60 days to register as a member of an existing party or lose their seat.

Chamlong last night had an inconclusive meeting with the 46 PDP MPs, at least half of whom have made clear their unequivocal objection to the decision by party leader and the executive committee to appoint five non-MPs to Cabinet.

At one point during the two-hour meeting, held after the House rose about 7 pm, Chamlong tried unsuccessfully to convince the dissidents that he could not give in any further to their demands without seriously hurting his public image.

"I cannot possibly withdraw the names of the three outsiders (non-MPs) from the list. Because if I do I will lose face. Please understand and save my face. Otherwise I will not be able to continue my political career," Chamlong was quoted as saying by sources.

MPs belonging to Chamlong's religious wing also tried to persuade the dissident lawmakers to accept the partial concession, but they would not listen.

Instead the dissidents presented two scenarios. The first would be for the PDP to pull out of the coalition government when it became evident the other partners intended to eject it. The second would be for the prime minister to dissolve the House of Representatives.

At this point, Chamlong suggested dissolving the PDP altogether. Nakhon Si Thammarat MP Sutham Saengprathum then asked the assembly of MPs to end the meeting and meet again. Another meeting was scheduled for this morning.

Yesterday morning, Chamlong had called an urgent meeting of the executive committee and made a concession by offering to strike out two non-MP nominees.

But the party leader stood firm on the decision to nominate telecommunications magnate Thaksin Chinawat and former Bangkok Bank managing director Wichit Suraphongchai as foreign minister and communications minister, respectively.

"The fact that I have agreed to the review (the nomination list) is enough kindness," Chamlong said. "I could have simply said 'no' to the calls for a review. So whatever decision is made by the board must be final."

Chamlong said he would only inform the MPs of the executive committee's decision and re-submit the list to the prime minister as soon as possible.

The dissident MPs, led by Foreign Minister Prasong Sunsiri, announced yesterday they would settle for nothing less than the removal of the five non-MPs from the list of nominees for the party's new Cabinet line-up.

Prasong submitted a letter signed by 25 dissident Phalang Tham MPs to Prime Minister Chuan Likphai advising him against complying with the proposed lineup, Bangkok MP At-ong Chumsai said.

"I should think the prime minister would be worried if the nomination list submitted to him did not have the approval of the majority of Phalang Tham MPs," Prasong said upon learning of the executive committee's partial concession yesterday.

Party sources said the executive committee had agreed to remove from the nomination list Lt Gen Bowon Ngamkasem and party executive Seri Phatthanaphanchai who had been nominated as deputy defence minister and deputy interior minister, respectively.

Seri and Bowon will be replaced by Tak MP Udon Tantisunthon and Vice Adm Rot Wiphatphumiprathet, sources said.

But another source said Khon Kaen MP Phongsak Intharaphanit, who was slated to become deputy education minister, was also replaced by another Khon Kaen lawmaker, Sarit Santimethanidon.

Government House sources said Phalang Tham secretary-general Sudarat Keyuraphan yesterday morning re-submitted the party's revised nomination list to the prime minister.

Sudararat told reporters the executive committee would consider punishing the dissidents if their action is deemed damaging to the party. "But I don't think we will have to take that (punitive) action against them," she said.

The Phalang Tham secretary-general said events in the PDP to this point had not affected the coalition government's stability. "If the Phalang Tham Party does anything to affect the coalition government, we will be prepared to leave if the coalition government wants us to."

Chamlong met New Aspiration leader Chawalit Yongchaiyut yesterday to try to persuade him to submit the New Aspiration Party's reshuffle list to the prime minister this morning.

The PDP leader said afterwards that he and Chawalit had agreed to meet the prime minister to submit their respective nomination lists at an undisclosed location at 9 am today.

But Chawalit, speaking to reporters later yesterday, said he would withhold his party's reshuffle list to give the PDP more time to resolve its internal problems.

"I don't want to be the one who loaded the last brick that will sink the ship," the New Aspiration leader said cryptically.

"I will be prepared to submit our nomination list at the same time as the Phalang Tham Party if the party manages to solve its internal problems by tomorrow night (tonight). Otherwise, I will wait until the Phalang Tham Party is ready."

The New Aspiration leader said he had never expected the coalition government to complete its four-year term in office. He did not explain why.

Prasong also met Chawalit yesterday afternoon at Parliament.

"Maj Gen Chamlong asked me to submit my Cabinet reshuffle list as soon as possible ... while Khun Prasong dropped by for a friendly talk—we haven't seen each other for some time," Chawalit said afterwards.

Official Views Ruling on U.S. Insurance Firm

BK1410090494 Bangkok THE NATION in English 14 Oct 94 p B1

[FBIS Transcribed Text] In a landmark decision, the International Economic Relations Committee ruled yesterday that Universal Insurance Co. the controversial wholly-owned subsidiary of American International Group, is a Thai company subject to the Thai insurance law.

However, whether or not it can convert its provincial offices into branches will be subject to further legal interpretation by the Juridical Council, according to Dr

Tirana Phongmakaphat, adviser to Deputy Prime Minister Dr Suphachai Phanitchaphak, who is the committee head.

Yesterday's interpretation means that the prolonged issue which stalled the progress of Thai-US economic relations in the last few years, will no longer be linked to the plan by the Thai government to amend or abolish the Thai-US Treaty of Amity.

Instead, the government will now treat Universal Insurance as a Thai company but because its qualifications do not full meet Thai Insurance Act BE 2535 [1992] because it is wholly owned by an American company, its application to convert 11 provincial offices into branches will have to be interpreted by the Juridical Council, the government's legal arm.

Universal Insurance, known in Thai as Phaisan Insurance, had previously applied for the office conversion into branches within one year as stipulated under the Insurance Act.

The Thai Insurance Act defines a Thai insurance company as one which is at least 75 per cent Thai-owned.

Suphachai is due to convey the decision made yesterday to Joan Spero, the US under secretary of state, when they meet in Washington DC on Oct 18, according to Tirana.

The decision, according to observers, will help avert any diplomatic disputes between Thailand and the US. The issue of Universal Insurance has been used as a bargaining chip by Washington in exchange for dropping Thailand from the priority watchlist under Section 301 of the US Trade Act.

Tirana declined to say how the Juridical Council will rule on the Universal Insurance case. The committee spent two of its three-hour meeting debating the case of this insurance company. The remaining one hour was spent setting the scope of the plan to amend the Treaty of Amity.

The US government earlier tried to discourage the Thai government from terminating the treaty which provides special treatment to American business people in Thailand.

Tirana said there are two options to move forward. The first is to negotiate with the US on a new treaty. During the period of negotiation, the Americans will be covered by an interim agreement.

The second option is to amend the existing treaty first drawn up in 1966 because of its outdatedness. Thailand will try not to downgrade the treaty, said Tirana.

The government is now forming another committee to determine whether or not to abolish the treaty so that business privileges between the Americans and other foreigners in Thailand are the same; or to abolish the Alien Business Law under the Revolutionary Council 281 which restricts engagements by foreigners other than

American businesses in this country; or to take a middle path and liberalize the Alien Business Law.

Asked what Thailand would do if the US government is unhappy about the decision on Universal Insurance yesterday, Tirana said the Thai government could then review the exemption clauses under the Treaty of Amity or consider granting national treatment to the company.

But he did not rule out the possibility of amending the Thai Insurance Act which back in 1967 defined a Thai company as one being only 25 per cent Thai-owned. With the 1993 amendment, this ratio was raised to 75 per cent.

Tirana said the ratio could be brought down to 49 percent for the benefit of foreign investors.

Ruling Sought on Branches

BK1410045994 Bangkok Radio Thailand Network in Thai 0000 GMT 14 Oct 94

[FBIS Translated Text] The Thai-U.S. Economic Relations and Cooperation Subcommittee is seeking another ruling from the Judicial Council on the opening of branch offices of Phaisan Insurance firm under the Insurance Act of 1992.

Tirana Phongmakphat, adviser to Deputy Prime Minister Suphachai Phanichaphak and chairman of the Thai-U.S. Economic Relations and Cooperation Subcommittee, said Phaisan Insurance has cited the Thai-U.S. Treaty of Amity and Economic Relations in seeking official permission to open branch offices in Thailand. The subcommittee, therefore, has to study the exemption clause of the treaty on certain businesses such as banking and fiduciary functions and assigned the Treaty Department to interpret the exemption clause, before seeking another ruling from the Judicial Council on whether Phaisan Insurance can open 11 branch offices under the provisions of Insurance Act of 1992.

Tirana Phongmakphat said the problem of Phaisan Insurance will be discussed with the U.S. side on 18 October, noting that Thailand attaches high significance to this issue because it involved contradictory interpretations of the law. Since Phaisan Insurance Company is a Thai juristic entity, it must be judged on Thai law.

Vietnam

Chinese Party School Delegation Pays Visit

BK1410134994 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 13 Oct 94

[FBIS Translated Text] Comrade Nguyen Duc Binh, member of the party Central Committee Political Bureau and director of the Ho Chi Minh National Politics Institute received on 13 October in Hanoi a delegation from the party school of the Communist Party of China Central Committee [CPCCC]. The delegation, which is visiting Vietnam to work with the Ho

Chi Minh National Politics Institute, is headed by Deputy Director Ms. Wang Jiamao, CPCCC member.

International Flood Relief Donations Announced

BK1310163894 Hanoi VNA in English 1354 GMT 13 Oct 94

[FBIS Transcribed Text] Hanoi VNA October 13—In response to the appeal by the Vietnam Red Cross the International Federation of Red Cross and Red Crescent decided on October 10 to disburse Swiss Frc 200,000 as emergency relief to the flood victims in the Mekong delta.

The Australian Embassy in Vietnam also announced on October 11 an aid of AUD 100,000 by the Australian Government while others including Belgium's Oxfam, Britain's Oxfam, the Embassy of Canada, the CIDS [expansion unknown], and the Red Cross Society of Sweden have announced their relief aid of totally worth USD 600,000 for the people in the flood-stricken areas.

Vo Van Kiet Meets Visiting Oil Executives

BK1210164894 Hanoi VNA in English 1507 GMT 12 Oct 94

[FBIS Transcribed Text] Hanoi VNA Oct. 12—Prime Minister Vo Van Kiet received here today Mr. L. John Browne, executive director of the British Petroleum (BP) of the UK, Mr. Johan Nykvold, vice executive director of the Statoil oil and gas of Norway, who are here for a working visit from Oct. 11.

During the reception, Mr. John Browne informed the Vietnamese leader of the results of his company's work in the continental shelf of Vietnam and their plans of cooperation in gas exploitation and oil refinery here.

Mr. Johan Nykvold also expressed his pleasure at the effective cooperation between Vietnam and his group in recent years and reaffirmed that his group would continue to make positive contributions to this cooperation.

The prime minister, for his part, shared the joy with his guests over the finding of gas with big quantity, and said he hoped that their cooperation on oil and gas exploitation will get further results.

Earlier, Mr. Browne and Mr. Vold, who are here on behalf of the leading board of the BP, Statoil and ONGC (India) which have just found out gas of big quantity on the continental shelf of Vietnam, had working sessions with the leadership of the Heavy Industry Ministry and the Vietnam Petroleum on possibilities for cooperation in oil and gas industry.

CPV Delegation Ends Visits to Syria, Egypt

BK1310074494 Hanoi VNA in English 0602 GMT 13 Oct 94

[FBIS Transcribed Text] Hanoi VNA October 13th—A delegation of the External Relations Commission of the

Communist Party of Vietnam Central Committee concluded its visits to Syria and Egypt yesterday.

While in Syria from October 1 - 5 at the invitation of the Arab Socialist Renaissance Party (ASRP), the delegation met with leaders of the host party and paid courtesy visits to leaders of the Syrian communist party in Damascus.

During its stay from October 6-12 in Egypt as guest of the National Democratic Party (NDP), the party officials were received by the secretary general and deputy secretary general of the NDP.

Leaders of the ASRP and NDP said they highly valued the renovation and the foreign policy of the Vietnamese party and state. They also expressed their hope for further strengthening and promotion of the bilateral cooperation between the states and parties of Vietnam and Syria, and Vietnam and Egypt, in contribution to the development of their friendly relationship.

When stopping over at Amman (Jordan), the Vietnamese party delegation called at leaders of the Communist Party of Jordan.

New Agency To Direct Shipping Fleet

BK1210164394 Hanoi VNA in English 1435 GMT 12 Oct 94

[FBIS Transcribed Text] Hanoi VNA Oct.12—The prime minister has approved the establishment of the Vietnam National Maritime Navigation Corporation under the Ministry of Transport and Communication.

In a recent working session with leading officials of the ministry, the prime minister stressed that the maritime transport service should strive to become one of strong economic branches in Vietnam soon. At present the branch should focus on building a modern national fleet, firstly container ships and ocean-going vessels, he said.

Vietnam now has a merchant fleet of a total tonnage of 1 million dwt [dead weight tons], most of them are 2,000 dwt to 10,000 dwt ships. The biggest are those of 17,000 dwt however they are very old and not suitable for the long-distance transport. There are now some 20 ship building and repairing yards throughout the country. They are mainly located in Haiphong and Quang Ninh in

the north, and Ho Chi Minh City and Vung Tau in the south with a total of 2,000 units of machinery and equipment, and 14,000 workers. There is one establishment that can build 4,000-dwt ships and two others can build 3,000-dwt ships. Vietnam wants to build big ships with a capacity of 3,000-4,000 teu (twenty foot equivalent units) and ships that can carry both containers and cargos (mostly 500-teu oil tankers and or 1,000-2,000 teu cargo ships).

To ensure the transportation of 40-50 percent of its import-export goods, Vietnam's maritime transport sector outlined a plan of development to the year 2000 to upgrade number of sea-ports accessible to high-tonnage vessels, namely Cai Lan port for 30,000- 50,000 dwt ships, and Da Nang port for 10,000 dwt ships. Efforts should be stepped up to build Vung Tau-Thi Vai port soon for 58,000- 70,000 dwt ships, and some ports specializing in transportation of cement, oil, and mineral ores. It is expected that six 65,000-dwt oil vessels and 23 container ships of 20,000-dwt will have been built by the year 2000.

National Assembly Office Previews Sixth Session

BK1410134894 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 14 Oct 94

[FBIS Translated Text] The National Assembly Office held a news conference this morning in Hanoi to announce the sixth session of the Ninth National Assembly will open on 20 October.

Comrade Vu Mao, director of the National Assembly Office, said that in this session, the National Assembly will review the implementation of its resolution on 1994 tasks and orientations for 1995 tasks, state budgetary activities in 1994, the budget proposal for 1995, a final accountability statement for the budget of 1993, and progress in anti-waste, anti-corruption, and anti-smuggling activities in 1994.

The National Assembly will also set targets for socioeconomic development for future years and receive reports on achievement in 1994 of the National Assembly Standing Committee, National Assembly Nationalities Council, other National Assembly committees, the courts, and the Supreme People's Organ of Control.

Australia

Evans Hails Loyalist Cease-Fire in N. Ireland

*BK1410061394 Melbourne Radio Australia in English
0500 GMT 14 Oct 94*

[FBIS Transcribed Text] Australia's foreign affairs minister, Gareth Evans, has warmly welcomed the cease-fire declaration by loyalist paramilitaries in Northern Ireland. Senator Evans says the decision by the loyalists to match the ceasefire by the Irish Republican Army is very encouraging for the prospects of peace in Northern Ireland. He urged all parties not to lose what he described as the unprecedented chance to make lasting peace a reality.

New Zealand

Indonesian 'Progress' on Timor Rights Seen

*BK1410060994 Hong Kong AFP in English 0514 GMT
14 Oct 94*

[FBIS Transcribed Excerpt] WELLINGTON, Oct 14 (AFP)—Indonesia's decision to lessen a sentence passed against an East Timor independence movement leader is progress, Prime Minister Jim Bolger told reporters Friday.

Bolger was discussing a letter he had sent to Amnesty International saying there was evidence that Indonesia's relationship with East Timor, which it annexed in 1976, had improved. "I was talking about one of the East Timorese leaders (Xanana Gusmao) who had been convicted and sentenced to death and that had been commuted to 20 years. I believe that is progress," he said.

But Amnesty International secretary-general Pierre Sane, who had just met Bolger, disagreed. "Xanana Gusmao received a grossly unfair trial in a language he did not understand. He was not allowed to read his defence plea... The injustice that has been done through the unfair trial does not from our own perspective show signs of progress," Sane said. [passage omitted]

Asked about concrete action New Zealand could take, Sane praised the planned visit of a delegation of five members of parliament to East Timor later this month. "We have been satisfied with the reassurances that have been given to us that human rights will remain central to the agenda of the New Zealand government." He said he would like to see pressure from the government on Indonesia to comply with United Nations recommendations on human rights.

"Indonesia is playing a more and more important role internationally as a leading nation and therefore should exercise more responsibility and commitment to the whole system of international protection of human rights."

Bolger was asked if the East Timor issue could be discussed at the Asia Pacific Economic Cooperation (APEC) leaders' meeting in Indonesia in November, as requested in September by Amnesty International.

"He Sane discussed that with me, understandably. That really is an economic and trade meeting," Bolger said. "I did not see the question of a specific country's human rights record coming to the fore at the formal meetings of APEC."

Papua New Guinea

BRA: Shooting Incidents Make Talks Impossible

*BK1310025094 Melbourne Radio Australia in English
0100 GMT 13 Oct 94*

[FBIS Transcribed Text] The rebel movement on the Papua New Guinea island of Bougainville says a series of shooting incidents has made it impossible to continue peace talks with the government.

There has been no independent confirmation of the three reported incidents which the rebel movement says had taken place since Tuesday.

Spokesperson for the movement said two people had been hurt and one escaped injury in the three separate shootings. BRA [Bougainville Revolutionary Army] leaders, Francis Ona and Sam Kauona, have failed to attend the talks, citing concerns for their personal safety.

UN Backs Peace Talks

*BK1310065294 Melbourne Radio Australia in English
0500 GMT 13 Oct 94*

[FBIS Transcribed Text] The special United Nations observer to the Bougainville peace conference has assured the Bougainville Revolutionary Army [BRA] that the conference has the backing of the UN. The assurance follows concerns expressed by the rebel leadership over their safety at the meeting in Arawa. However, the BRA leaders are still refusing to come down from the mountains of Central Bougainville for the conference. In an effort to assure the BRA that the UN is monitoring the talks, UN Observer (Hiroko Miyamura) told delegates that she was reporting back to the UN everyday.

Solomon Islands

Governor-General Dismisses Prime Minister

*BK1310043894 Hong Kong AFP in English 0414 GMT
13 Oct 94*

[FBIS Transcribed Text] HONIARA, Oct 13 (AFP)—Governor-General Moses Pitakaka Thursday sacked Solomon Islands Prime Minister Francis Billy Hilly, saying Hilly was no longer supported by a majority of members of parliament.

Pitakaka, who represents the head of state - the British crown, said that allowing Hilly to remain as prime minister and leader of the government would be a direct violation of the constitution's provisions. In the last week five ministers and a government backbencher deserted Hilly. Hilly will stay on as a caretaker prime

minister until October 31 when parliament is to elect a new prime minister. Hilly appeared to have the support of 17 members of the 47 seat assembly.

The opposition National Unity, Reconciliation and Progressive Party is led by former Prime Minister Solomon Mamaloni. Hilly was expected to hold a news conference later Thursday.

Premier Wants Court Ruling

*BK1410071694 Melbourne Radio Australia in English
0500 GMT 14 Oct 94*

[FBIS Transcribed Text] A constitutional crisis in Solomon Islands has reportedly boosted the strength of the opposition. The governor-general, Moses Pitakaka,

yesterday sacked the prime minister, Francis Billy Hilly, claiming he no longer had majority support in Parliament. However, Mr. Hilly refused to stand down and said he would ask the High Court to rule on the legality of his sacking.

Radio Australia's correspondent in Honiara quotes an opposition spokesman as saying opposition numbers have swelled to 29 in the 47-member parliament. However, they have been advised to watch the situation and wait for the law to take its course.

Mr. Hilly says a case seeking to declare the governor general's order null and void will be filed with the High Court today or Monday.

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